



Wales Office

Annual Report 2010-11



Published by TSO (The Stationery Office) and available from:

Online
www.tsoshop.co.uk

Mail, telephone, fax and email

TSO
PO Box 29, Norwich NR3 1GN
Telephone orders/general enquiries: 0870 600 5522
Order through the Parliamentary Hotline Lo-Call 0845 7 023474
Fax orders: 0870 600 5533
Email: customer.services@tso.co.uk
Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders/general enquiries: 020 7219 3890
Fax orders: 020 7219 3866
Email: bookshop@parliament.uk
Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

Customers can also order publications from:

TSO Ireland
16 Arthur Street, Belfast BT1 4GD
Telephone orders/general enquiries: 028 9023 8451
Fax orders: 028 9023 5401

ISBN 978-0-10-181072-2





Wales Office Annual Report 2010-11

Presented to Parliament by the Secretary of State for Wales
by Command of Her Majesty

July 2011

© **Crown copyright 2011**

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at **Wales Office, Discovery House, Scott Harbour, Cardiff Bay, Cardiff CF10 4HA** or wales.office@walesoffice.gsi.gov.uk.

This publication is available for download at www.official-documents.gov.uk.

This document is also available from our website at www.walesoffice.gov.uk.

ISBN: 9780101810722

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID: 2437662 07/11

Printed on paper containing 75% recycled fibre content minimum.

Ministerial Foreword

This is my first annual report to Parliament as Secretary of State for Wales. Being born and brought up in Wales, it was an honour to be appointed Welsh Secretary by the Prime Minister in May 2010 and to become the first woman to hold the post.

During the past year the Wales Office has faced a number of challenges, not least because two different coalition governments were responsible for the governance of Wales. This meant our efforts to promote effective co-ordination and collaboration between the two governments were more important than ever. Wales, too, could not be exempt from the difficult decisions the UK Government has been forced to take to tackle the deficit and re-balance the economy.

Since my appointment as Secretary of State, I have been determined to adopt a commonsense approach to the job, deliver the fairest deal for Wales, and to develop a constructive, business-like relationship with the Welsh Government in Cardiff.

I look forward to continuing to work with the First Minister and his new administration following May's Assembly elections to deliver economic growth, investment, and opportunity for all in Wales, while respecting and maintaining the devolution settlement.

I am committed to supporting Assembly ministers in those areas that are devolved, just as I hope they will support the UK Government over reserved issues.

We should see this Respect Agenda as a two-way process, not a one way street. And we should use it to develop a strong, positive relationship working towards co-operation and investment in the future. As a Government we made a positive, early start when David Cameron became the first Prime Minister to visit the Senedd - and within a week of taking office.

Since then the coalition Government, its Ministers and the Wales Office have endeavoured to work constructively with the Welsh Government in the interests of Wales and the United Kingdom, albeit against the background of the tough economic legacy we inherited.

As a Government we are committed to devolution. As Welsh Secretary I made delivering the Referendum on further powers for the Assembly one of my top priorities on taking office. In March the people of Wales voted in favour of giving the Assembly primary law making powers over devolved areas. This will make the Assembly and the Welsh Government solely responsible and accountable for the decisions they take and the money they spend over devolved areas. It will, as others have suggested, create a 'no excuses culture' for the Assembly and Welsh ministers.

We are only a year into the life of the coalition Government. Our focus is rightly on what we can achieve over five years to ensure economic and fiscal stability for the long term. But I believe we have already done much to set this country back on the right course.

The signs suggest we are moving in the right direction. We have set out ambitious plans to build a fairer, more responsible society, supporting those who need it most. We've taken tough but necessary decisions on the economy to deal with the mess inherited from the previous Government.

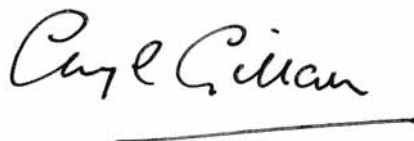
In Wales, we are investing in infrastructure such as rail electrification and superfast broadband, while measures to simplify the UK's complicated tax system and reduce the burden of regulations will support businesses and enterprise in Wales. Reform of the welfare state will target support to the most vulnerable while helping those who can work back into jobs or training. This is particularly important in Wales where, regrettably, there remain areas of high unemployment and worklessness, despite the efforts of successive governments.

In December I chaired the first meeting of the Wales Office Business Advisory Group in London. Representatives from across the business spectrum in Wales were invited to share their views which contribute to the UK Business Advisory Group, chaired by the Prime Minister. The Group now meets quarterly to discuss the key issues that affect Wales.

The Wales Office is committed to efficiency savings, and in doing so cutting the cost of Government. We led by example, requiring all ministers and staff to travel by standard rather than first class by train. We also identified and implemented savings in other areas.

As we enter the second year of the coalition Government, I am confident Wales is on a firmer economic footing - though I am far from complacent about the many challenges ahead. The Wales Office is refocusing its operation in order to better reflect its role representing Wales at Westminster and Westminster in Wales.

We will also continue to work constructively with the new Welsh Government following May's Assembly elections. By working together in the national interest we can achieve the best for Wales.

A handwritten signature in black ink, reading "Cheryl Gillan". The signature is written in a cursive style. Below the signature is a horizontal line.

Rt Hon Cheryl Gillan MP
Secretary of State for Wales

Contents

Foreword by the Secretary of State for Wales

1.	Devolution and the Wales Office	
1.1	The Devolution Settlement	1
1.2	Our role	2
1.3	Key Achievements 2010-11	3
1.4	Transparent and Accountable Government	4
1.5	Reducing the deficit – playing our part	5
2.	Delivering within the Devolution Settlement for Wales	
2.1	Giving Wales its Voice - Delivering the Referendum	6
2.2	Legislating Together for Wales	6
2.3	Representing Wales in Parliament	9
3.	Wales at the heart of Government	
3.1	Representing Wales’ interest	11
3.2	Working with Devolution	11
3.3	Working Together for Wales	12
3.4	Respecting the Welsh Language	13
4.	Representing the Government in Wales	
4.1	Communicating our Vision	14
4.2	Including Wales	15
4.3	Working with Stakeholders	16
5.	Showcasing Wales	
5.1	Wales as a Place to Work	19
5.2	Wales as a Place to Enjoy	19
5.3	The Best of Wales	20
6.	Efficient, Effective and Fair	
6.1	Services provided by Moj	21
6.2	Efficient and Effective Government	22
6.3	Our office	24
6.4	Our staff	25
6.5	Funding and Finance	27
	Annexes	
A.	List of Ministerial meetings and visits by month	29
B.	Financial Tables	34

1

Devolution and the Wales Office

1.1 The Devolution Settlement

The primary role of the Secretary of State for Wales is to help ensure the smooth operation of the devolution settlement and to act as a guardian of it, promoting the partnership between the coalition Government and the Welsh Government.

The Government of Wales Act 1998 sets out the initial devolution settlement, establishing the National Assembly for Wales in 1999 following the affirmative devolution vote held in 1997. Under the 1998 Act, many of the former powers of the Secretary of State for Wales were transferred to the new Assembly.

The Government of Wales Act 2006 (GoWA 2006) amended the devolution process. It had two key elements: the formal separation between the National Assembly and the Welsh Government to improve devolved governance; and a process for acquiring enhanced legislative powers for the Assembly. The Act also made provision to enable a referendum to be held on further law-making powers for the Assembly.

The Welsh devolution settlement has been a dynamic one, requiring a corresponding evolution of the role and responsibilities of the Wales Office. The Assembly's legislative competence has increased in recent years as the Assembly has gained powers in specific areas.

On 9 February 2010, Assembly Members voted unanimously for a referendum on further law-making powers. The Programme for Government committed to introduce the referendum, which was held on 3 March 2011. Following the affirmative result, the Assembly has approved an order which brought the new powers into force on 5 May 2011. This means that the Assembly will be able to make laws in all areas covered by the original devolution settlement.

The Assembly's enhanced legislative competence is set out in Part 4 of, and Schedule 7 to, GoWA 2006, collectively known as the 'Assembly Act provisions'. These provisions enable the Assembly to legislate in relation to the subjects listed under the twenty headings in Schedule 7, as qualified by the exceptions and restrictions in that Schedule and in section 108 of GoWA.

The subjects in Schedule 7 are arranged over twenty broad headings, which cover the areas over which the Welsh Government Ministers currently exercise executive functions. The twenty headings cover the delivery of local services – education and training, fire and rescue services, health services, highways and transport, housing, local government, social welfare, planning (except major energy infrastructure) and water supplies – agriculture, fisheries, forestry, culture, including the Welsh language and ancient monuments, economic development and the environment.

1.2 Our role

The Wales Office supports the Secretary of State for Wales in promoting the best interests of Wales within the United Kingdom. We speak for Wales within the coalition Government and for the coalition Government in Wales. Our role is primarily a co-ordinating and facilitating one, particularly between the coalition Government and the Welsh Government.

The Wales Office faced a number of challenges in 2010-11. There were two different coalitions in power in the UK and Wales, which meant that our efforts to promote effective co-ordination and collaboration were more important than ever.

Our Ministers



The Secretary of State for Wales, the Rt Hon Cheryl Gillan MP, was appointed on 12 May 2010

The Parliamentary Under Secretary of State for Wales, David Jones MP, was appointed on 14 May 2010

The wider Ministerial team

As part of the wider Ministerial team, the Advocate General Lord Wallace of Tankerness is the Wales Office's Spokesperson in the House of Lords, where he responds to Parliamentary Questions and debates on Welsh matters on behalf of the Government. He plays an active role in representing the Wales Office's interests in the Lords and in our weekly strategy and planning meetings.

Glyn Davies MP is the Secretary of State's Parliamentary Private Secretary and supports Wales Office Ministers in fulfilling their Parliamentary obligations and provides a link between Ministers and backbench coalition Members from Wales.

Brooks Newmark MP is the Government Whip and Lord Shutt of Greetland is the Lords Whip with responsibility for Welsh Affairs. Until October 2010, the Lords Whip was Baroness Northover.

The work of our Ministers

The Secretary of State has overall Ministerial responsibility for the operation of the Wales Office and represents Welsh interests at Cabinet. She is responsible for maintaining close working relations with Welsh Government Ministers, including preserving Wales' place as part of the Union; representing the coalition Government in relation to a wide variety of interests in Wales; and ensuring Welsh interests are properly understood and represented across Whitehall. The Secretary of State also addresses the National Assembly for Wales on the coalition Government's legislative programme.

The Secretary of State and the Parliamentary Under Secretary of State between them attend meetings of the key Cabinet Committees, most notably the Home Affairs Committee and Parliamentary Business and Legislation Committee, Sub-Committees and Working Groups.

Ministers have been engaged in a substantial programme of Parliamentary work during the course of the year. From May 2010 to March 2011, we have answered six sessions of Welsh Questions, held four Welsh Grand Committees, responded to three Westminster Hall debates, given evidence twice to the Welsh Affairs Committee, responded to one Adjournment debate and held a number of briefing sessions with MPs and Peers on issues ranging from the Parliamentary Voting System and Constituencies Bill to Framework Powers in the Budget Responsibility and National Audit Bill.

Both Ministers also undertook a busy programme of meetings, visits and engagements with a wide range of organisations in Wales. Examples are referred to throughout this report.

1.3 Key Achievements 2010-2011

Our main focus throughout the year has been on helping to deliver the coalition Government's Programme for Government, and in particular those commitments that related specifically to Wales, namely to introduce a referendum on further Welsh devolution and to take forward the Sustainable Homes Legislative Competence Order (LCO).

The commitment to introduce a referendum on further law-making powers for the Assembly was delivered with the holding of the referendum on 3 March 2011. It fitted within the timeframe of the Welsh Government's 'One Wales' commitment, demonstrating the respect agenda in action.

The Housing and Local Government LCO was made on 21 July 2010, some three years after it was first proposed, and demonstrated again the coalition Government's commitment to its respect agenda. The competence conferred by the LCO enabled the Assembly to legislate on a wide range of housing matters, including social housing and homelessness.

Alongside delivering on our Programme for Government commitments, the Department has represented the interests of Wales across a range of issues. For example, we have been actively involved in the process to produce the business case for the electrification of the Great Western Main Line from London to South Wales.

Various meetings were held at Ministerial level within the UK Government, and with the First Minister and Deputy First Minister at the Welsh Government, to work to ensure this investment was secured for Wales. The Secretary of State for Transport announced on 1 March that he would extend the electrification of the Great Western Main Line into South Wales, initially as far as Cardiff, with the case for extending it to Swansea kept under review. The announcement also committed the coalition Government to working with the Welsh Government to electrify the Valley Lines commuter services to and from Cardiff.

In December, the Secretary of State chaired the first meeting of the Wales Office Business Advisory Group in London. Representatives from across the business spectrum in Wales were welcomed to Gwydyr House to share their views on the business environment in Wales with Wales Office Ministers and to feed information into the UK Business Advisory Group, chaired by the Prime Minister. The Group has since met quarterly to discuss the key issues that affect Wales with both Wales Office Ministers and Ministers from other Government Departments.

Additionally in December, the Secretary of State hosted the first tri-lateral meeting with the coalition Government's Broadband Minister and the Welsh Government's Deputy First Minister to discuss the Universal Broadband Commitment and National Broadband Strategy. The meeting made good progress and helped to embed active engagement between officials in Whitehall and the Welsh Government that will help Wales benefit fully from the coalition Government's commitment to have the best superfast broadband network in Europe by 2015. Further meetings will be convened over the coming months to monitor progress and look at additional ways of supporting the expansion of superfast broadband across Wales.

1.4 Transparent and Accountable Government

Transparency is a key part of the coalition Government's efficiency and reform agenda. In May 2010, the Prime Minister announced a radical plan to publish Government data online to make Government more accountable, efficient and transparent than ever before.

Published on our website, you will find details of our

- Spending over £500;
- Senior Civil Service structure and salaries;
- Ministerial accommodation, rail and air travel;
- Ministerial overseas travel;
- Hospitality received by Ministers, the Special Advisor and the Director;
- Gifts given and received by Ministers over £140 and by the Special Advisor; and
- Details of Ministerial meetings with external organisations.

This information will continue to be updated on a regular basis.

The coalition Government's Transparency Agenda committed each Government department to publish departmental spend on invoices over £25,000. The Secretary of State decided that the Wales Office would go further than that commitment and publish all items of expenditure over £500.

1.5 Reducing the deficit – playing our part

Since taking office the coalition Government has made tackling the UK's deficit its most urgent priority in order to restore confidence in the economy and support recovery.

It is only right that the Wales Office plays its part in this deficit reduction plan. Since our spending is funded from the Welsh Block we are committed to bear down on our costs to maximise the funding available for devolved services in Wales. The total Wales Office budget will shrink by one-third in real terms over the Spending Review Period which is consistent with Whitehall-wide reductions.

2 Delivering within the Devolution Settlement for Wales

Objective 1: To maintain and develop the devolution settlement and to facilitate partnership working between the UK and Devolved Administrations and institutions.

2.1 Giving Wales its Voice - Delivering the Referendum

Upon taking office in May, the coalition Government committed to delivering the referendum on further lawmaking powers as requested by the National Assembly for Wales in February 2010.

The Secretary of State for Wales and the Department played a crucial role in ensuring that work was taken forward to give the Welsh people a voice in respect of further devolution of lawmaking powers. Working closely with the Welsh Government, the Assembly Commission, the Electoral Commission and the Welsh Language Board, agreement was reached that facilitated the necessary legislation to implement the referendum that took place on 3 March 2011.

We met the timeframe set in the Welsh Government's 'One Wales' programme of holding the referendum within the lifetime of the previous Assembly.

2.2 Legislating Together for Wales

The Wales Office co-ordinates and supports various forms of legislation that have an impact in Wales. This includes Legislative Competence Orders (LCOs)¹ initiated by the Welsh Government; UK Bills that have specific Welsh provisions, including Framework Powers, and pieces of secondary legislation.

All forms of legislation require collaborative working between the Government in Westminster and the Welsh Government. Over the last reporting year the Wales Office has continued to encourage and facilitate the necessary partnership working to ensure that the interests of the people of Wales are fairly represented in the legislation that is passed.

The Coalition Government's Legislative Programme and Wales

The Department promotes Welsh interests in the formulation of Government legislation with thorough and extensive involvement in the development of Government Bills. There was regular contact throughout the year with Bill teams as we provided advice and guidance to Whitehall departments on how the proposed legislation would impact on Wales and how the Welsh Devolution settlement should be reflected.

¹ Part 3 of GoWA 2006, under which Legislative Competence Orders (LCOs) are made, ceased to have effect on 5 May 2011, when the Assembly Act provisions came into force.

The coalition Government has introduced 26 Bills into Parliament to date as part of its first legislative programme. 11 Bills had received Royal Assent by 31 March 2011. Bills currently before Parliament of particular interest to Wales, include the Fixed-term Parliaments Bill which provides for the next Assembly elections to be held in 2016 and the Education Bill, which confers new powers on Welsh Ministers in relation to teacher training and promoting careers.

The Secretary of State addressed the National Assembly for Wales on 16 June 2010 to outline the coalition Government's proposed legislative programme and its implications for Wales, following the Queen's Speech to Parliament.

Constitutional Reform

There have been a number of Government Bills and Acts of Parliament in this parliamentary session which have significant effects in Wales. For example, the Parliamentary Voting System and Constituencies Act 2011 provides for a smaller House of Commons of 600 Members of Parliament, with fewer parliamentary constituencies of more equal size.

Equality and fairness across the United Kingdom is an overriding principle of the reforms. Wales is currently over-represented at Westminster compared to other parts of the UK and, in common with the rest of the country, will see a reduction in the number of Parliamentary constituencies. The number of parliamentary constituencies in Wales will reduce from 40 to 30.

The Act also breaks the link between Parliamentary constituencies and Assembly constituencies. The coalition Government will bring forward legislation at a future date to allow for reviews of Assembly constituencies.

Wales Office Ministers recognised the importance to Wales of the proposals in the Parliamentary Voting System and Constituencies Bill. The Minister actively engaged with the Bill Minister - Mark Harper, Minister for Political and Constitutional Reform - to ensure Welsh issues were properly considered during the Bill's parliamentary passage. In September, the Secretary of State convened a meeting of all MPs representing Welsh constituencies to discuss the coalition Government's proposals for constitutional reform with the Bill Minister. In addition Wales Office Ministers gave evidence to the Welsh Affairs Select Committee and debated the issues with MPs in Westminster Hall.

Enhancing the Assembly's Legislative Competence

Until GOWA's Assembly Act provisions came into force, the Assembly's legislative competence was enhanced in two ways: by Framework Powers in parliamentary Acts and by Legislative Competence Orders (LCOs).

Framework Powers

The Wales Office continued to facilitate the inclusion of Framework Powers in UK Bills. The first legislative programme included Framework Powers in the Education Bill, the Localism Bill and the Office of Budget Responsibility and National Audit Bill.

Following the 3 March referendum, the Assembly acquired most of the legislative competence included in Framework Powers in first session Bills. The Wales Office therefore removed those provisions from the Education Bill and the Localism Bill at the first available opportunity, working with relevant Government Departments².

The Framework Powers in the Office of Budget Responsibility and National Audit Act 2011 inserted a new matter in Schedule 5 and a new subject in Schedule 7 to GoWA, both relating to the Auditor General for Wales. No changes were made to these provisions as the Bill was nearing its completion when the referendum took place.

The Minister and Lords Spokesperson for Wales hosted briefing sessions for Welsh MPs and Peers on the Framework Powers in these Bills. The sessions provided the opportunity for the relevant Welsh Government Minister to brief Parliamentarians on the reasons for seeking enhanced powers for the Assembly.

Legislative Competence Orders (LCOs)

The Wales Office has played a key role in 2010-11 in the handling of Legislative Competence Orders (LCOs).

The Programme for Government committed the coalition Government to take forward the Housing and Local Government LCO³, which was first proposed in 2007, but had not completed its parliamentary stages by the time the 2010 General Election was called.

On taking office, Wales Office Ministers identified progressing the LCO as an early priority. On 21 July 2010, powers were devolved to the Assembly on a wide range of housing matters including social housing and homelessness.

The Wales Office also worked with the Welsh Government to present two new LCOs to Parliament for pre-legislative scrutiny.

The first LCO - proposed by the Assembly's Enterprise and Learning Committee, and the first to have been brought forward by an Assembly Committee (with Assembly Government support) - would have devolved competence to the Assembly to legislate for the development and maintenance of a network of routes in Wales for pedestrians and cyclists.⁴ The Department presented the proposed LCO to Parliament on 3 February 2011 for pre-legislative scrutiny, but it was later withdrawn by the Assembly Committee in light of the referendum result and in anticipation of the Assembly Act provisions coming into force.⁵

² The Framework Powers were removed by amendment from the Education Bill on 5 April 2011 and from the Localism Bill on 18 May 2011.

³ The Nationally Assembly for Wales (Legislative Competence)(Housing and Local Government) Order 2010

⁴ The proposed National Assembly for Wales (Legislative Competence)(Highways and Transport) Order 2011

⁵ The Assembly Act provisions came into force on 5 May 2011, and include powers for the Assembly to legislate on routes for pedestrians and cyclists.

The second LCO, announced by the First Minister on 13 July 2010 as part of the Welsh Government’s legislative programme for 2010-11, would have conferred competence on the Assembly to pass laws relating to a system of presumed consent in Wales for organ donation. The Department presented the proposed LCO to Parliament for pre-legislative scrutiny on 10 January 2011, but it was later withdrawn by the Welsh Government.

Assembly measures

The Wales Office plays a vital role in monitoring proposed Measures as they pass through the National Assembly for Wales to ensure the integrity of the devolution settlement is maintained, and that the Secretary of State does not need to exercise her powers of intervention under GoWA 2006. Thirteen Assembly Measures have received Royal Approval over the past year.

These are:

- Red Meat Industry (Wales) Measure
- National Assembly for Wales (Remuneration) Measure
- Carers Strategies (Wales) Measure
- Waste (Wales) Measure
- Mental Health (Wales) Measure
- Playing Fields (Community Involvement in Disposal Decisions) Measure
- Welsh Language (Wales) Measure
- Rights of Children and Young Persons (Wales) Measure
- Domestic Fire Safety (Wales) Measure
- Local Government (Wales) Measure
- Safety on Learner Transport (Wales) Measure
- Housing (Wales) Measure
- Education (Wales) Measure

2.3 Representing Wales in Parliament

We attach great importance to facilitating good working relations between Whitehall and the Welsh Government, and to ensuring that the interests of Wales are taken into account in the development and implementation of policy.

Most of this work is carried out behind the scenes, including by Ministers in Cabinet and Cabinet Committees. Ministers also actively promoted a programme of meetings and visits to ensure that their colleagues are aware of Welsh needs.

In Parliament, Ministers represented the coalition Government’s position on a range of issues relating to the Welsh devolution settlement. As part of Wales Office Ministers’ wider accountability to Parliament, a considerable number of Parliamentary Questions were tabled/answered from May 2010 to the end of March 2011.

	Ordinary Written	Nominated/Named Day	Oral
House of Commons	267	41	69
House of Lords	7	0	2
TOTAL	274	41	71

The Welsh Affairs Committee is the primary Parliamentary Select Committee that scrutinises the work of the Wales Office and the wider policies of other Government departments that impact upon Wales. Since May 2010 the Welsh Affairs Committee has undertaken a number of investigations on issues such as the future of Newport Passport Office, inward investment into Wales and the Severn Crossings tolls. The Wales Office has presented evidence to the Committee and assisted other departments in developing their relationship with the Committee. The Secretary of State for Wales gave evidence to the Committee twice during the last 12 months, in July 2010 and March 2011.

Over the last year, we have held a number of Welsh Grand Committee meetings on topics ranging from the 2011 Budget and the Welsh implications of the Comprehensive Spending Review to the Legislative Programme and Energy Policy. At all of these meetings, we have ensured that the relevant coalition Government Minister has been present to give a Statement to the members and take questions.

3 Wales at the heart of Government

Objective 2: To represent Wales' interests within the Government

3.1 Representing Wales' interest

The Wales Office is a small department of State compared to others in Whitehall yet exercises strong influence on coalition Government policy. The Secretary of State has a seat at the Cabinet table, which is of enormous benefit to Wales, resulting in Welsh views and interests being directly fed into the collective decision making process at the heart of government.

3.2 Working with Devolution

The Wales Office has over the last year been, and remains, committed to promoting knowledge and awareness of the Welsh devolution settlement, at Ministerial and official level. Increasing devolution awareness is crucial in assisting departments in their delivery of the coalition Government's programme. Key partners are the Cabinet Office, the Ministry of Justice and the Treasury.

Wales Office officials engage with a range of networks that exist to promote devolution across Whitehall. As part of the Whitehall Contacts Group we regularly meet with officials from other departments who look after devolution issues in their field. This forum provides a good platform to share ideas and exchange examples of best practice. Officials from the devolved administrations attend every other meeting, facilitating direct engagement on key issues and fostering good working relationships. Wales Office officials also facilitate discussion within departments of the devolution settlement in Wales and how it impacts on their work. Recent sessions include with the Ministry of Justice and the Department for Transport.

Upon her appointment the Secretary of State for Wales recognised that the approach to devolution across government required an increased and greater ministerial emphasis. To this end she initiated the concept of a Devolution Minister in every Government Department to take responsibility for ensuring that their department take full and proper account of devolution in the development of policy. With the support of the Deputy Prime Minister the network was established and a Committee created to consider devolution issues.

In April 2010, the Welsh Affairs Select Committee published a report on the relationship between Wales and Whitehall. Ministers recognised the important issues it raised and responded to the areas of concern and mapped out future plans.

The Secretary of State has also established regular bilateral meetings with the First Minister, and has held numerous meetings with other key figures such as the Presiding Officer to discuss a range of issues relevant to Wales.

3.3 Working Together for Wales

Working closely with the Welsh Government, the National Assembly for Wales and stakeholders across Wales, the Wales Office strives to ensure that their interests are represented during all policy development in non-devolved areas which interact with devolved responsibilities. This work includes ensuring that Welsh interests are represented in the coalition Government's legislative programme, which is covered in more detail in *Chapter 2*.

Wales Office Ministers and officials continuously work to provide information on the Welsh context and the devolution settlement to other Government Departments to ensure that it is built into departmental policy development, including Green and White Papers.

In July and September, the Secretary of State attended Finance Quadrilateral meetings chaired by the Chief Secretary to the Treasury. The meetings provided the opportunity for the finance ministers of the three devolved nations and the Territorial Secretaries of State to discuss the UK's fiscal position, and amongst other things share their economic priorities and the implications of the Comprehensive Spending Review.

The importance of the electrification of the Great Western Main Line to the economic prospects of Wales was immediately recognised by the Secretary of State who identified it as an early priority. The Department engaged closely with stakeholders in Wales to ensure the Government's decision took account of Wales's needs and was in the best interests of the Welsh economy. We will continue to work closely with the Welsh Government and the Department for Transport in developing another business case for further electrification of the Valley lines and main line to Swansea.

In the context of the coalition Government's reforms to the NHS, the Wales Office maintained a dialogue with the Department of Health and the Welsh Government on the importance of ensuring the NHS continues to operate across the border as seamlessly as possible in the interests of patients. A renewed Cross Border Protocol was agreed between the Department of Health and the Welsh Government which will run until March 2012.

The Department's Rural Taskforce highlighted amongst other issues that broadband provision was a concern to many rural communities. Both the Minister and the Secretary of State for Wales facilitated discussions with Ministers and officials from the Welsh Government, the Department for Business, Innovation and Skills (BIS) and the Department of Culture, Media and Sport (DCMS) to determine how Wales would benefit from the coalition Government's Universal Service Commitment for super-fast broadband. In February, the Chancellor announced during a visit to North Wales, that £10 million would be invested to extend super-fast broadband to Pwllheli and the surrounding area. We anticipate similar announcements on broadband in Wales to follow.

Ministers and officials have worked collaboratively in representing Welsh interests within Government across a range of other policy issues as well. These include broadcasting (in particular the future of S4C), welfare reform, policing, defence training, energy, discussing how to drive economic growth in Wales, the future of Newport Passport Office and Court reorganisation proposals.

3.4 Respecting the Welsh Language

The Welsh language plays a key role in the cultural identity of many Welsh people and the coalition Government is committed to respecting its use. All Government Departments that provide services to the public are required to have a Welsh Language Scheme. Our own Welsh Language Scheme has recently been updated to ensure that it continues to reflect our commitment to respecting the Welsh language.

We have committed to provide other Government departments with any assistance they require to ensure that the Welsh language is properly reflected in the work that they do. The Secretary of State invited the Welsh Language Board to participate in the Working Group on the Referendum to ensure that the question put to the electorate was developed in Wales' two languages from the outset. We are also working to develop closer links with the Welsh Language Board and hope to include them in some awareness raising work across Whitehall to ensure that language issues are considered at an early stage in the development of policy and legislation.

4 Representing the Government in Wales

Objective 3: Work with others to help ensure that the Government's policies in non-devolved areas are understood and promoted in Wales

4.1 Communicating our Vision

The coalition Government is built on a far reaching and broad programme for change. Whilst prioritising the reduction of the deficit, the Programme for Government also pursues social reform and reform of the political system. Various parts of the coalition Government's programme have implications for Wales, and in order to fulfil the Government's obligations to the electorate it is important that its aims are fully and clearly conveyed.

As the coalition Government's voice in Wales, it is the Department's responsibility to communicate these, and other, messages. Through a programme of visits and other engagements we have been taking the coalition Government's vision and plans to stakeholders and communities in Wales. For example, that vision was communicated by the Secretary of State in her keynote address to the Institute of Directors' lunch in Newport in September. At the Fast Growth 50 dinner in Cardiff, she recognised the achievement of these expanding companies, and set out the Government's plans to create sustainable private sector growth.

In June the Minister delivered the key note speech at the Welsh Local Government Association (WLGA) annual conference in Llandudno, where he focussed on the importance of partnership working to deliver the common aim of making life better for every citizen in Wales. The Minister also spoke at the CBI annual dinner in North Wales last November, where he highlighted the importance of the North Wales economy and outlined the role of the Wales Office and its Ministers in taking forward economic growth in Wales.

The Secretary of State also spoke to a familiar audience in January when attending the annual dinner of the Welsh branch of the Chartered Marketers' Institute, an institution of which she is a fellow. This was a New Year message of aspiration for the Welsh economy. A similar message was delivered at the Federation of Small Businesses Annual Dinner where the Secretary of State emphasised that "Wales needs more entrepreneurs".

In addition to business organisations, the Secretary of State spoke in February on the Future of the Creative Industries in Wales as part of the Leadership for Creative Business Programme.

Over the course of the year Wales Office Ministers undertook a busy programme of visits, taking in a wide range of businesses, industry leaders and third-sector organisations in Wales. Examples of visits include large multinationals such as Sharp, Toyota and Airbus, innovative smaller businesses, and organisations such as Wales Council for Voluntary Action and Community Foundation Wales.

Wales Office Ministers have also visited a number of Higher Education institutions around Wales, recognising the vital role that universities play in the economic and cultural life of the country. The Minister visited Glyndŵr University, where innovative work in the field of telescope optics is taking place, and the Secretary of State visited Aberystwyth, Cardiff and Swansea Universities, all key institutions with a high pedigree of academic and research achievement.

Both Ministers have also discussed the issues surrounding Higher Education in Wales with the Higher Education Funding Council for Wales and Higher Education Wales, as well as with Ministers from Whitehall and Cardiff Bay as both Governments look to make higher education affordable and sustainable in the long term.

4.2 Including Wales

It falls to the Wales Office and its Ministers to advise colleagues in Westminster about distinctive Welsh interests in non-devolved matters. The Wales Office has to look both ways, communicating the coalition Government's message, and the rationale for the decisions it has had to make particularly on the economy for the long term, to the people of Wales. At the same time it is crucial that our Ministers feed back to colleagues in Government the views of those affected by these decisions, so that Welsh specific concerns are considered as part of the decision making process. This places the Wales Office, together with the other Territorial Offices, in an unusual yet influential position in Whitehall.

The Wales Office has facilitated numerous visits to Wales by Government Ministers, including that of the Prime Minister in May 2010 when he became the first Prime Minister to visit the Senedd, and subsequent visits from the Deputy Prime Minister, the Chancellor of the Exchequer, the Secretary of State for Business, Innovation and Skills and the Secretary of State for Work and Pensions amongst others. This both enhances awareness of Welsh issues, and gives key partners in Wales the opportunity to present their views to the highest level of Government.

Non-devolved issues that have come to the fore this year include funding for Wales; broadcasting; crime and policing; and energy.

The way in which devolution in Wales is financed has been the subject of a great deal of discussion and debate in the last year. The Holtham Commission's final report⁶, published in July, recommended changes to the existing arrangements.

The coalition Government recognises the concerns expressed by the Commission about the current system, and the Secretary of State has discussed the Commission's findings with its Chair, Professor Gerry Holtham. The coalition Government committed in its Programme for Government to take forward a process for the Assembly similar to the Calman Commission.

⁶ Fairness and accountability: a new funding settlement for Wales – Final Report; the Independent Commission on Funding and Finance in Wales, July 2010

Broadcasting is a non-devolved area and Wales has distinctive interests in news provision as well as language and culture. This year our Ministers met key figures within Welsh broadcasting, including the Chair of ITV and the Director of BBC Wales to discuss broadcasting in Wales. The Wales Office welcomed the increased investment by both ITV and BBC in Wales, with the Secretary of State particularly impressed with the BBC's drama village under construction in Cardiff Bay. This new drama village will host production of some of the BBC's most popular programmes.

One of the most challenging issues for broadcasting in Wales has been to secure the future of S4C. The Secretary of State and the Minister are fully committed to ensuring that Welsh programming remains a key part of the UK broadcasting landscape, and importantly that a dedicated, independent channel for Welsh language broadcasting is maintained. Both have been actively engaged in regular meetings with ministerial colleagues in the Department of Culture, Media and Sport on this issue, and have established closer working on policy as it affects the S4C authority. They have also held meetings and discussions with the Chair and the acting Chief Executive of S4C.

Policing is a non-devolved area and is of utmost importance to Wales. Reforming the police service and ensuring our police officers spend more of their time reducing crime and less on bureaucratic activities to make communities in Wales safer has been of primary importance. This year our Ministers have had meetings to discuss policing matters and policy developments with all the Welsh Chief Constables, the Association of Chief Police Officers (ACPO) Cymru, Welsh Police Authorities and other key stakeholders.

Ensuring sufficient energy generation, with an emphasis on energy security and carbon reduction, is a central strategic aim of any modern government. Energy policy in Wales is generally non-devolved, with the Welsh Government responsible only for generation sites below 50MW. Wales features prominently on the energy map of the UK, with a nuclear site, Liquid Natural Gas (LNG) terminals and associated pipeline, and a number of onshore and offshore wind turbine sites. In March, the Secretary of State hosted a round-table meeting with key energy organisations at Milford Haven. Ministers also welcomed the indication from the Department of Energy and Climate Change that Wylfa was a preferred site for a future nuclear power station, continuing a key economic driver in the north of Anglesey.

4.3 Working with Stakeholders

The views of stakeholders and representative groups in Wales are of great importance to Ministers. We aim to engage regularly with these groups and communicate their views to colleagues in Whitehall as appropriate.

Our approach is representative of that of the wider coalition Government, evidenced through the consultation on key policy priorities such as the Spending Review and the Freedom Bill. This is especially important in the Government's vision for the Big Society, where solutions and service delivery will be driven at a local level.

This year we have engaged with a wide range of stakeholders covering aspects that are central to the economic and social life in Wales. In the summer the Minister launched a Wales Office Taskforce on the Rural Economy. Both Wales Office Ministers attach great importance to rural communities and as a result established a forum through which these communities and their business, pastoral and other representatives could feed in their views on what hampers the rural economy in Wales. Stakeholders responded to this opportunity with great enthusiasm, raising a myriad of issues that they felt Government could address. This material has informed our thinking and has been fed into discussions with the relevant departments.

In addition to tackling the deficit in public finances, the Government is keen to rebalance the UK economy, and Ministers have been active in working with key partners on how to improve Wales's economic performance. The Secretary of State addressed CBI Wales in June 2010 and has held quarterly meetings with their Director to discuss the economic challenges that Wales is facing and how these could be addressed.

The Secretary of State has also engaged closely with other umbrella business groups, such as the Institute of Directors, Federation of Small Business, South Wales Chamber of Commerce and Cardiff & Co on the Government's economic policies and how we can work together to grow the Welsh economy, by freeing up business and reducing unnecessary regulation.

Wales has a higher proportion of older people than other parts of the UK and many expect this to increase. Issues facing older people are therefore particularly acute in Wales, and the expectations of older people are also changing. Wales Office Ministers have held meetings and hosted public events with the Older People's Commissioner for Wales, providing opportunities for the coalition Government to hear first hand the views and concerns of older people in Wales. This will help ensure that the views of older people are taken into consideration as the coalition Government moves forward with the range of policies of interest to them.

The Big Society vision runs throughout the Programme for Government, and central to developing that vision is engagement with stakeholders, including civil society organisations, the public sector and other parts of Government. Many of the levers of the Big Society are devolved. As a consequence, implementation of the Big Society may vary in Wales, a situation that is entirely in keeping with the vision that is founded on the ideals of local decision making and decentralisation.

Wales Office Ministers have met with Welsh Government Ministers to stress the benefits that will accrue through support of the Big Society vision in Wales. Ministers have also discussed this vision with representatives of the third sector, such as the Wales Council for Voluntary Action, and the public sector including the North Wales Regional Partnership Board.

The Government's approach was outlined by the Minister during a meeting with the Community Foundation Wales (CFW), followed up by the Secretary of State as the key note speaker at the CFW's London launch of the 'Fund for Wales'. This activity has been supported by a programme of Ministerial visits to projects in Wales which demonstrate the Big Society vision in action, such as a community co-operative at Trefeglwys and Crest's Fareshare co-operative at Llandudno Junction.

The Wales Office is currently finalising plans to hold a seminar on building the Big Society in Wales, inviting stakeholders to share experiences and best practice to boost the vision in Wales.

5 Showcasing Wales

Objective 4: Promote the economic, social and cultural interests of Wales

The Wales Office and its ministerial team are proud to represent Wales, and promote it as a place to invest, work and enjoy.

5.1 Wales as a Place to Work

As a small nation, it is important that all opportunities are taken to promote Wales, especially as a place to do business. The Wales Office is well placed to facilitate such work, bringing together interested parties and using its resources to further Welsh interests.

A key priority for both Ministers is promoting Wales in the global marketplace. To pursue this priority, Ministers have met with Japanese, Chinese, Russian and Polish representatives and German businesses represented by German Industry UK in order to promote Wales as a trade and investment destination.

In addition to this external promotional work, the ministerial team is working with the Welsh Government, coalition Government colleagues and others to encourage inward investment and business growth in Wales. The Department has established an internal project board whose members include the Welsh Government, the Department for Business, Innovation and Skills and UKTI to take this forward. The Secretary of State has also met with Lord Brittan, Lord Green and UKTI to discuss how to encourage greater inward investment into Wales.

As already briefly discussed, the Secretary of State has created a new Business Advisory Group for the Wales Office as part of increasing understanding of how the private sector can be encouraged to foster new growth in Wales. This has brought together business representatives and given them an opportunity to provide first hand evidence of issues affecting the business community in Wales. Members have been invited to join on a twelve month basis and Group's composition is balanced to include companies that are based only in Wales with those which have a more national or international presence.

5.2 Wales as a Place to Enjoy

Wales is famous for its beautiful landscapes, coastlines and countryside. It has almost 750 miles of coastline and beaches to rival many across the world for safety, cleanliness and their unspoilt nature; and forests and mountains, perfect for walking or mountain biking.

Wales also has world-class sporting facilities to attract visitors. Sporting stadia such as the Parc-y-Scarlets in Llanelli, the Liberty Stadium in Swansea, the Racecourse in Wrexham, the Cardiff City Stadium in Cardiff, and the Millennium Stadium with its unique city centre location, all offer facilities for international sport, concerts and corporate events. 2010 will, of course, always be remembered as the time that Wales hosted one of the biggest televised sporting events in the world, the Ryder Cup at the Celtic Manor Resort, Newport.

We must capitalise on all of our assets, natural and man-made. Working with the Welsh Government, the Wales Office will seek to promote Wales as a visitor destination and a place to enjoy on top of the business opportunities it offers.

5.3 The Best of Wales

Since taking office, Wales Office Ministers have travelled across Wales to see and support our talent and skills, and to discuss directly with people and businesses the issues that matter to them. Over the summer, the Ministers undertook an extensive programme of visits; a couple of examples are below.

In June 2010 the Secretary of State participated in the Armed Forces Day in Cardiff, a successful and well-attended event where people from across the UK came to pay tribute to and celebrate our armed forces personnel, both past and present. The Minister attended a similar event at Caernarfon Castle.

Then in July the Secretary of State visited the Celtic Manor Resort to see Ryder Cup preparations, and latterly the successful tournament itself. Later that month both Ministers attended the Royal Welsh Show, and in August the Minister launched the Wales Office Taskforce on the Rural Economy at the Anglesey Show.

At the beginning of August the Secretary of State attended the opening concert of the National Eisteddfod in Ebbw Vale and visited the Maes the following day. The National Eisteddfod is – and remains – one of the great festivals of the world, celebrating cultural diversity in an increasingly globalised environment. As well as an event that showcases the best of Welsh art, literature, music and dancing, it is also a celebration of other cultures from across the world. The Minister also attended the International Eisteddfod in Llangollen.

A full list of the meetings and visits the Ministers have undertaken throughout the year can be found in Annex A.

6

Efficient, Effective and Fair

Objective 5: Conduct our business with courtesy, efficiency, effectiveness and propriety

6.1 Services provided by Ministry of Justice

The Wales Office has few executive functions. With less than 60 staff in total, it is neither feasible nor cost-effective for the Wales Office to provide for itself the full range of central and corporate services needed by a Government Department. Whilst accountable to the Secretary of State for Wales and the Minister, and having its own distinct identity, the Department benefits from being able to use the support services and contracts provided by the Ministry of Justice. These services include information and communications technology, financial systems, personnel, accommodation and procurement contracts. In the interests of good stewardship, and consistent with having a distinct identity, we endeavour to have our own local management and reporting systems, where practical and appropriate, within this wider context.

There is also close collaboration with the Welsh Government across a number of corporate services, arising from our history, our functions, and the fact that currently around a third of our staff are drawn on loan from the Welsh Government.

We have a number of service level agreements with the Ministry of Justice to support the delivery of our core responsibilities, and the necessary support services.

6.2 Efficient and Effective Government

Performance Indicators in 2010-11 for Dealing with the Public

TARGET	INDICATOR	PERFORMANCE
We will respond to correspondence within 15 working days of receipt.	Percentage of correspondence replied to within 15 working days.	84%
We will ensure that accounts are paid promptly. Where a contract applies, we will make payments in accordance with the applicable timetable. We will otherwise pay accounts within 30 days of receipt of a valid invoice.	Percentage of invoices paid within 5 days.	92%
	Percentage of invoices paid within 10 days.	99%
<p>We will deal with all requests for information, in accordance with the Freedom of Information (FOI) Act 2000.</p> <p>Request will normally be processed within 20 working days of receipt or with permitted extension or we will send an interim reply explaining the reasons for the delay and indicating when a full reply will be sent.</p>	Percentage of FOI cases replied to within 20 working days.	94%
To respond to all requests for FOI Reviews with 20 working days.	Percentage of FOI reviews conducted and responded, under the FOI guidelines of 20 working days.	100%
We have established a formal complaint procedure, regarding conduct of the Wales Office, and we will investigate and respond to any complaint within 10 days.	Percentage of complaints dealt with within 10 days.	No formal complaints received
To respond to all Written Parliamentary Questions within five days of their being tabled in the House of Commons; and all Named Day Questions to be answered on the date specified.	Percentage of questions handled within five day target.	92%
	Percentage of named day questions answered on date specified.	100%

Information and Data Security

The Wales Office is committed to ensuring that the information it holds is handled and protected appropriately. The Department does not deal with a significant volume of sensitive personal information but nonetheless, we regularly audit our data assets and assess the associated risks and controls in place.

In line with the mandatory requirements for all public bodies, we have put in place procedures to ensure that the Department is fully compliant with the appropriate standards, and we have made use of training packages provided through the Ministry of Justice, including for example annual refresher training, for all staff on data handling procedures.

Corporate Governance

For financial year 2010-11, the Director of the Wales Office was an Additional Accounting Officer (AAO) within the overall responsibility of the Accounting Officer of the Ministry of Justice. From 2011-12 the Director of the Wales Office will be a Principal Accounting Officer (PAO).

The Wales Office has a Management Board which brings together the heads of each part of the Department's business. It meets formally as a corporate board approximately every two months, and is responsible for setting strategic corporate direction and leadership, monitoring delivery and performance management, overseeing financial control and stewardship, and managing risk. The Board's non-executive member, David Crawley, is Deputy Chair of the Management Board and also chairs the Department's Audit Committee. The Board operates within the framework of strategic business objectives agreed by the Secretary of State for Wales.

Audit Committee

The Audit Committee met four times during 2010-11. It has 2 non-executive members: David Crawley (Chair) and Ian Summers. Its work programme and meetings reflect the annual preparation of accounts, estimates and statements of assurance, and the Department's internal audit programme. The committee scrutinises the risk management processes for the Office and advises the Additional Accounting Officer/Principal Accounting Officer on appropriate action. The Committee reports regularly to the Management Board through the Audit Committee Chair, who is a non-executive member of the Board.

The Chair will present his annual report on the work of the Audit Committee to the Management Board in July 2011.

Efficient use of Resources

Delivering efficient public services is a central plank of the coalition Government's agenda and we are committed to achieving efficiency and effectiveness in all areas of our activities. We are responsible for the transmission of the Welsh Block, though not its allocation within Wales which is a matter for the Welsh Government, accountable to the National Assembly, with the support of the Auditor General for Wales.

Procurement, environmental considerations and sustainability

Where the Wales Office draws on services supplied by the Ministry of Justice or under contract to them, coalition Government commitments on environmental impact and sustainability are met within that wider framework. We have continued to seek ways of further reducing the Office's energy and water consumption. We have again compensated for our CO₂ emissions from travel by using a commercial company that funds carbon offsetting projects.

6.3 Our office

Office Premises

The Wales Office's main building, Gwydyr House on Whitehall, is an important outpost for Wales in the heart of London. It was originally a Georgian town house, and is a Grade II* listed building. We are advised on work necessary to maintain it, and our legal obligations as the occupants of an historic building, by both Ministry of Justice Facilities Management and the appointed building Managing Agents, who provide us with regular building reports to meet statutory Building Regulations. In response to the findings and recommendations of those reports, we have an on-going programme of maintenance at Gwydyr House, to reflect its special status and manage its needs. In addition, the Wales Office leases space in an office building in Cardiff Bay.

Both offices meet the requirements of the Disability Discrimination Act.

Health and Safety

The Wales Office has its own local Health and Safety Committee which reports regularly to our Management Board. We also have a Health and Safety Action Plan, which is reviewed and updated regularly.

6.4 Our staff

Staffing Issues

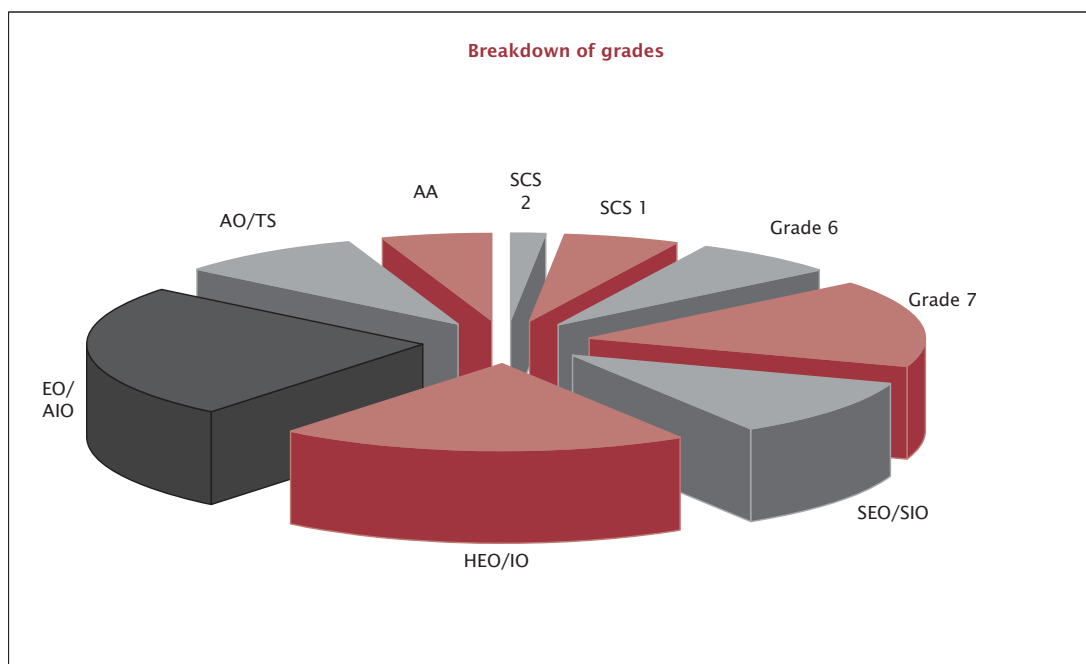
The Wales Office had a planned complement of 64 staff for the 2010-11 period. Over the year we had a reasonable level of turnover of around 23%, with staffing levels of around 92% throughout the financial year as can be seen in the chart below:



The total number of staff in post, as at 31 March 2011, of 56 (54.24 FTE), includes 1 temporary (agency) member of staff and 19 staff on loan from the Welsh Government. We currently have 39% of our staff based in Cardiff and 61% in London.

Grades

A breakdown of staff by civil service grades is shown in the chart below:



Recruitment

The Wales Office has undertaken several internal recruitment exercises (that is, internal to the Civil Service) during 2010-11. We have conducted no external recruitment exercises.

Resignations and Retirements

Over the past year, the reasons for staff leaving the Wales Office included retirement; termination of some agency staff contracts; resignation; lateral transfer to another Government Department; and expiry of one fixed term contract. Seven staff loans from the Welsh Government expired and the staff returned to their parent organisation.

Senior Civil Service

At 31 March 2011 there are 4 substantive senior civil servant posts within the Wales Office.

Equal Opportunities

Staff in Senior Civil Service positions	March 2010	March 2011
Proportion of women	50%	25%
Proportion of women at Pay band 2 & above	100%	100%
Proportion of Black and Minority Ethnic (BME)	0%	0%
Proportion of Registered Disabled staff	0%	0%

Staff below Senior Civil Service level	March 2010	March 2011
Proportion of women	63%	53%
Proportion of Black and Minority Ethnic (BME)	5%	5%
Proportion of Registered Disabled staff	11%	11%

Welsh Language Staff Commitments

The Wales Office is committed to encouraging staff to learn Welsh and we recognise the importance of language training in enabling staff to work confidently in Welsh. We will continue to meet the costs of training as well as offering paid facility time and study leave to members of staff undertaking such training. Currently training is being delivered in both Cardiff and London, and around 15 staff (24%) have participated internally in foundation level training. One member of staff undertakes intermediate level training externally.

A skills audit of Wales Office staff is conducted annually and the results of this provide the foundation for our workforce planning and training programme. At present we have five staff (8%) who consider themselves to be bilingual.

Performance Management

The Wales Office is committed to formal appraisal systems and requires a 100% record of staff having objectives set and at least 2 reviews per year. Action is in hand to strengthen the process still further in 2011-12.

Staff Engagement Survey

The Wales Office participates in the annual civil service-wide survey. In 2010, our overall staff engagement rate rose to 60%. (double the rate 2 years before). This level of engagement puts the Wales Office amongst the top 25 High Performing units within the UK civil service and places us 4% above the civil service median.

An action plan has already been drawn up in consultation with staff to take forward further improvements informed by the survey findings.

Learning and Development (L&D)

A Learning and Development strategy was agreed by the Management Board in 2010. The strategy focuses on improving levels of skills analysis, greater in-house delivery of training and development and improved evaluation amongst staff. It is currently being updated further to reflect current aims and Ministerial priorities.

6.5 Funding and Finance

Responsibility for fiscal policy, macroeconomic policy and public expenditure allocation across the United Kingdom remains with HM Treasury, and the Welsh Government's budget continues to be determined within the framework of public expenditure control in the United Kingdom. The financial relationship is set out in the *Statement of Funding Policy*, published in October 2010.

Government funding for the Assembly's budget is normally determined within spending reviews. The linkage is generally achieved by means of a population-based Barnett formula. Parliament votes the necessary provision to the Secretary of State. She makes payments to the Assembly out of money provided by Parliament of such amounts as she may determine, in accordance with the Government of Wales Act 2006. The costs of the Wales Office are met out of the money provided by Parliament in the form of the 'Welsh Block Grant'.

The Welsh Government makes its own spending decisions on devolved programmes, subject to approval by the National Assembly for Wales.

Spending by the Wales Office

The Wales Office's spending forms part of the Welsh Block Grant. Other than the grant it is responsible for transferring to the Assembly Government to spend as they see fit, the Department's own expenditure comprises our own running costs; the expenses of the Lord Lieutenants in Wales; and associated non-cash items.

Changes to Wales Departmental Expenditure Limit

Annex B reconciles the current Wales Departmental Expenditure Limit with the baseline from the 2007 Spending Review.

Total Identifiable Public Expenditure in Wales

The 2009-10 public spending that can be identified as having been incurred for the benefit of Wales totalled £28.780 billion, equivalent to £9,597 per head or some 9 per cent above the UK average. For further information see Public Expenditure Statistical Analyses (PESA) 2010.

Whole of Government Accounts

The Wales Office and the Welsh Government are participants in the Whole of Government accounts, which are being led by HM Treasury.

The Welsh Government budget

The Welsh Government has published details on how it has allocated its budget for 2011-12; these are contained in *Welsh Assembly Government Final Budget 2011-2012*.

Further details can be found on its website www.wales.gov.uk.

A

Ministerial Visits & Meetings

May 2010

Ameila Farm Trust
Cardiff Bay Redevelopment
Technium Optic
Clwyd Coast Credit Union
Wales & West Housing Association
(160) Wales HQ Brecon
Tomorrow's Wales
Confederation of British Industries- CBI Wales
Welsh Local Government Association
Wales Council for Voluntary Action

June 2010

All Wales Convention
Law Society Wales
Welsh Language Board
Swansea University
CORUS
N Power
Trades Union Congress
National House Building Council
Confederation of British Industries- CBI Wales
EADS Defence and Security
G24 Innovations
BBC Trust
Caernarfon Magistrates Office

July 2010

German Industry UK
Wales in London
West Cheshire and North Wales Chamber of Commerce
ITV Wales
Independent Commission on Funding and Finance for Wales
General Dynamics
Motorsport Industry Association
Older People's Commissioner for Wales
Higher Education Wales
Royal National Institute for the Blind
ARUP
Welsh Chief Constables
Country Landowners Association
National Farmers Union
Farmers Union of Wales
Freight Transport Association
Police Authorities of Wales
Network Rail
Welsh Water

August 2010

BBC Wales
Milford Haven Port Authority
S4C & Rondo Media
Magnox & Nuclear Decommissioning Authority & Horizon Nuclear Power
National Slate Museum
Daily Post
Oriol Mostyn Gallery
Wales Council for Voluntary Action & Rhyl Football in the Community
Sharp Electronics Ltd
Tree Top Adventure
North Wales Police
Countryside Landowners Association
Royal Mail Group
Farmers Union of Wales
National Farmers Union
Shelter Cymru
Technium Pembrokeshire
Pembrokeshire Council
Mansel Davies, Haulier
Institute of Biological, Environmental and Rural Sciences
Coleg Harlech Worker's Educational Association
Bangor University
Technium CAST
North Wales Race Equality Network
Sexual Assault Referral Centre
Glyndŵr University
Wood Panel Industries Federation
Confederation of British Industry
Wales Council for Voluntary Action
Boundary Commission for Wales
Wales Trades Union Congress

September 2010

S4C
Metrix
Ofgem
Convanta
London Welsh School
Royal Institute of Chartered Surveyors
Nuclear Decommissioning Authority
National Grid
Glyndŵr University
Blaenau Gwent Skills Centre

October 2010

Kidney Wales
National Library of Wales
Older People's Commissioner
Wales in London
Price WaterHouse Cooper
CBI Wales
British Telecom
Swift Invent Ltd
Windpower Wales
National Autistic Society

October 2010

S4C
Arup
BBC Trust
Renewable UK
Western Mail
Royal Mail
True Wales
Teledwyr Annibynnol Cymru
German Industry UK

November 2010

EADS
NASUWT
Higher Education Funding Council for Wales
Cardiff University
Victory Outreach UK
Wiltan
Older People's Commissioner
Toyota
Wales Bangladesh Chamber of Commerce
National Museum of Wales
Dyfed-Powys Police
Cymdeithas yr Iaith
Consumer Focus Wales
Wales in London
CBI
BBC
S4C
North Wales Police
Kids Task Force
Toyota

December 2010

BT
Assura Medical Ltd
Personal Support Unit
BBC Trust
737 Challenge

January 2011

Royal Mail
University of Wales/ Massachusetts Institute of Technology
Axeon
BMA Cymru
Lloyds Banking Group
Toyota UK
Deeside College
Confederation of British Industry
Farmers Union of Wales
First Great Western
National Association of Probation Officers
Ty Hafan
Annual Fellows and Chartered Marketers
Community Foundation Wales
RWE Power Renewables

January 2011

Welsh Motoring
North Wales Regional Partnership Board

February 2011

General Dynamics
Federation of Small Businesses
Bank of England
Wales Tourism Alliance
JCB
Community Foundation Wales
Cardiff University
National Library of Wales
Royal National Institute for the Blind
Institute of Biological, Environmental and Rural Sciences
Race Online 2012
S4C
Airbus
Aberystwyth University
Farmers Union of Wales
Glyndŵr University
RMI Petrol Association
Bangor University
Holyhead Port
Anglesey Aluminium
Dawnus
Voluntary Arts Wales
Credit Union
National Grid

March 2011

BBC Cymru Wales
Wales Millennium Centre
Milford Haven Port Authority
Dragon LNG
South Hook LNG
Murco
RWE
Colwyn Bay and District Soroptimist International
Chevron
SEM Logistics
Institute of Directors
CBI Wales
Cardiff university
General Dynamics
Ford
Confederation of British Industry
Federation of Small Businesses
Forum of Private Business
Admiral Insurance
TATA
LNG
GE Healthcare
Airbus
JOJO Maman Bebe
Victory Outreach

March 2011
GE Aircraft Engine Services
Calsonic Kansei Europe
Dow Corning
Orion Electric
Rowecord Holdings Ltd
Rockwool Ltd
Dawnus Holdings Ltd
Castell Howell Food Ltd
FG Hawkes (Western) Ltd
Ledwood Mechanical Engineering Ltd
Cuddy Demolition Ltd
Wall Colmonoy Ltd
Rhyal Engineering Ltd
Roland (UK) Ltd
Sei Interconnect Products (Europe) Ltd
Glass Systems Ltd
Pure Wafer Plc
Mid Wales Manufacturing Group
Welsh Automotive Forum
AB Glass
Spear Group Holdings
BIO - Tech
Airborne Systems
Fulleon
WIT Systems
Newport and Gwent Chamber of Commerce Enterprise and Industry Ltd
South Wales Chamber of Commerce
RWE Npower
Cardiff University
University of Wales Institute, Cardiff
Milford Haven Port Authority

Does not include meetings with Government bodies such as other Government Departments and Agencies, non-departmental public bodies, Government reviewers, and representatives of devolved or foreign governments.

B Financial Tables

Table 1: Changes to Wales Departmental Expenditure Limit for 2009-10 to 2014-15 since PESA 2010

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	£m Outturn	£m Provisional Outturn	£m Plans	£m Plans	£m Plans	£m Plans
Position at publication of PESA 2010 (Table 1.8) net of depreciation & impairments	15,131	15,178				
Depreciation & impairments	403	354				
Subtotal	15,534	15,532				
2010 Spending Review Settlement	0.0	0.0	14,967.2	15,000.9	15,029.3	15,133.4
Reserve Claim: Correct 2010 SR settlement	0.0	0.0	56.8	0.0	0.0	0.0
Outturn adjustments	-77.7	-112.0	0.0	0.0	0.0	0.0
End Year Flexibility	0.0	227.1	0.0	0.0	0.0	0.0
Spending Policy:						
WG share of £6 billion cuts	0.0	-162.5	0.0	0.0	0.0	0.0
Rate relief	0.0	-6.2	0.0	0.0	0.0	0.0
Student Loans	0.0	50.0	0.0	0.0	0.0	0.0
2011 Budget - Enterprise Zones	0.0	0.0	0.0	0.8	2.0	3.3
2011 Budget - First Buy	0.0	0.0	12.1	0.0	0.0	0.0
2011 Budget - University Technical Colleges	0.0	0.0	7.3	0.0	0.0	0.0
2011 Budget - Apprenticeships	0.0	0.0	4.9	2.9	2.2	0.2
Interdepartmental transfers	13.9	12.7	18.6	17.4	16.8	16.0
Classifications changes	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	-64	9	15,067	15,022	15,050	15,153
Capital DEL plus Resource DEL	15,471	15,541	15,067	15,022	15,050	15,153
Less depreciation & impairments	415	270	378	405	389	386
Position at publication of PESA 2011 (Table 1.8) net of depreciation & impairments	15,055	15,271	14,689	14,617	14,662	14,767

(1) Totals may not sum due to roundings.

Table 2: Departmental Expenditure Limit - Wales (1)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	provisional	plans	plans	plans	plans
	£'000	£'000	£'000	£'000	£'000	outturn	£'000	£'000	£'000	£'000
Wales Office Resource										
Wales Office Administration										
Costs	4,112	4,219	4,886	4,983	5,609	5,074	5,957	5,992	6,072	4,971
Wales Office - other ⁽³⁾	0	29	37	23	0	43	60	60	60	60
Resource⁽³⁾	4,112	4,248	4,923	5,006	5,609	5,117	6,017	6,052	6,132	5,031
less depreciation & impairments	-129	-48	-48	-236	-61	-227	-70	-70	-70	-70
Wales Office Resource⁽⁴⁾	3,983	4,200	4,875	4,770	5,548	4,890	5,947	5,982	6,062	4,961
Wales Office Capital										
Wales Office	127	33	145	96	0	130	724	724	724	25
Wales Office DEL⁽⁴⁾⁽⁵⁾	4,110	4,233	5,020	4,866	5,548	5,020	6,671	6,706	6,786	4,986
Welsh Government Resource	10,905,941	11,563,725	12,253,358	12,816,248	13,540,477	13,828,664	13,779,923	13,834,049	13,986,039	14,046,862
Welsh Government Capital	1,208,350	1,318,108	1,461,436	1,626,521	1,929,860	1,754,767	1,286,947	1,187,907	1,064,300	1,106,013
Welsh Government DEL⁽³⁾	12,114,291	12,881,833	13,714,794	14,442,769	15,470,337	15,583,431	15,066,870	15,021,956	15,050,339	15,152,875
Total Welsh Block	12,118,401	12,886,066	13,719,814	14,447,635	15,475,885	15,588,451	15,073,541	15,028,662	15,057,125	15,157,861

(1) Totals may not sum due to roundings.

(2) Includes Budgetary Changes as a result of CLOS

(3) Including depreciation & impairments

(4) Resource + capital - depreciation & impairments

(5) By convention Departmental Expenditure Limit budgets are expressed as resource and capital less depreciation & impairments. Therefore the resource and capital numbers in this table will not sum to the Departmental Expenditure Limit: the difference being depreciation & impairments.

Table 3: RECONCILIATION OF GRANT PAYABLE TO WELSH CONSOLIDATED FUND 2009-10

	Original Provision £'000	Final Provision £'000	Final Outturn £'000
Expenditure Classified as DEL ^{(1) (2)}	15,278,348	15,841,843	15,470,337
Expenditure Classified as AME	647,063	688,050	632,119
Total Managed Expenditure	15,925,411	16,529,893	16,102,456
Less:			
<i>Non Voted expenditure:</i>			
LA Credit Approvals	163,396	163,396	162,116
Other Non-Voted	6,078	6,078	6,078
Resource Non Cash	541,313	768,691	635,552
AME Non-cash	553,378	563,750	507,527
Other Non Cash items		97,000	96,103
TOTAL NON VOTED TME	1,264,165	1,598,915	1,407,376
TOTAL VOTED TME	14,661,246	14,930,978	14,695,080
Voted receipts			
Contributions from the National Insurance Fund	-965,683	-939,286	-939,286
NDR Receipts	-932,200	-905,400	-905,400
Total	-1,897,883	-1,844,686	-1,844,686
Plus:			
Housing Stock Transfer - Ceredigion and Gwynedd	0	24,700	10,390
EU Repayment	13,581	13,581	12,832
Housing Exchequer Contributions	174	174	159
TOTAL GRANT TO WELSH CONSOLIDATED FUND	12,777,118	13,124,747	12,873,775

(1) Resource and capital DEL inc. depreciation.

(2) Does not include Budgetary Changes as a result of the implementation of Clear Line of Sight

Table 4: RECONCILIATION OF GRANT PAYABLE TO WELSH CONSOLIDATED FUND 2010-11

	Original Provision £'000	Final Provision £'000	Final Outturn £'000
Expenditure Classified as DEL ^{(1) (2)}	15,530,824	15,639,389	15,527,531 ⁽³⁾
Expenditure Classified as AME	693,635	370,722	261,899
Total Managed Expenditure	16,224,459	16,010,111	15,789,430
Less:			
<i>Non Voted expenditure:</i>			
LA Credit Approvals	163,396	163,396	163,396
Other Non-Voted	6,078	6,078	6,078
Resource Non Cash	412,257	493,257	407,253
AME Non-cash	555,560	231,735	133,373
TOTAL NON VOTED TME	1,137,291	894,466	710,100
TOTAL VOTED TME	15,087,168	15,115,645	15,079,330
Voted receipts:			
Contributions from the National Insurance Fund	-953,184	-894,377	-932,699
NDR Receipts	-881,810	-867,000	-896,417
Total	-1,834,994	-1,761,377	-1,829,116
Plus:			
Housing Stock Transfer – Blaenau Gwent	45,000	43,272	97,166
Housing Stock Transfer – Gwynedd	17,329	17,329	
Housing Stock Transfer – Neath/Port Talbot		40,700	
TOTAL GRANT TO WELSH CONSOLIDATED FUND	13,314,503	13,455,569	13,347,380

(1) Resource and capital DEL inc. depreciation.

(2) Does not include Budgetary Changes as a result of the implementation of Clear Line of Sight

(3) Additional £50m reserve claim

TABLE 5: RECONCILIATION OF GRANT PAYABLE TO WELSH CONSOLIDATED FUND 2011-12

	Original Provision
	£'000
Expenditure Classified as DEL ⁽¹⁾	15,066,870
Expenditure Classified as AME	318,789
Total Managed Expenditure	15,385,659
Less:	
<i>Non Voted expenditure:</i>	
LA Credit Approvals	120,211
Other Non-Voted	6,078
Resource Ringfenced Non Cash	431,149
AME Non-cash	164,726
TOTAL NON VOTED TME	722,164
TOTAL VOTED TME	14,663,495
Voted receipts	
Contributions from the National Insurance Fund	-886,953
NDR Receipts	-867,000
Total	-1,753,953
Timing Adjustments	
Increase / Decrease in Debtors & Creditors	1,275
Use of Provisions	50
TOTAL GRANT TO WELSH CONSOLIDATED FUND	12,910,867

(1) Resource and capital DEL inc. depreciation.

(2) Includes Budgetary Changes as a result of the implementation of Clear Line of Sight