Wales Office
Swyddfa Cymru

David T C Davies MP
Chair, Welsh Affairs Select Committee
Welsh Affairs Committee
House of Commons
LONDON
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WALES OFFICE 2013-14 ANNUAL REPORT AND ACCOUNTS

Thank you for your letter of 14 October on the Wales Office’s 2013-14 Annual Report and Accounts, setting out specific queries concerning the Department’s resource budget, sick day’s information and administration costs.

Resource budget

There are various factors which contributed to the Department’s underspend in 2013-14: for example, posts remaining vacant for a number of months; not fully utilising non cash expenditure (i.e. for depreciation, audit fees and utilisation of provisions); efficiency savings in areas such as travel and subsistence; and not needing to draw on contingency funds.

The Department also undertook a restructuring exercise to ensure that its core spending and staffing numbers were at levels that would enable it to ultimately meet its 2015-16 budget settlement. Staffing levels fell slightly but that has not impacted on the quality of service the Department offers nor on its ability to deliver its objectives. The stability the Department now has in terms of its staffing levels also means it can be confident that that quality can be maintained through to 2015-16. It is important that the Department continues to be proactive and ahead of the game in terms of identifying areas for further savings and efficiencies so that it is similarly well-prepared for the next Spending Review period.
Sick days

As your letter suggests might be the case, the increase in the average working days lost figure (AWDL) reported in the Annual Report was due to a small number of staff taking long term sickness. Nevertheless, the Department instigated a review of its sickness absence levels, including work by Internal Audit which concluded that the Department was consistent and proactive in its approach to applying absence management policy. The Department’s latest data confirms that AWDL has now fallen to around 4.3.

Administration costs

The savings in 2013-14 were largely the result of a reduction in accommodation and associated costs (around 37%). This was a consequence of the costs incurred in 2012-13 when the Department relocated its Cardiff Bay office from Discovery House to Caspian Point and the lower running costs associated with Caspian Point in 2013-14. IT costs have decreased by around 49% due to relocation costs of moving IT equipment to Caspian Point, and the more efficient use of IT and telephony across the Department. The Department has also made savings of around 37% on travel and subsistence, for example by encouraging greater use of video conference facilities and travel at off peak times.

I hope that this additional information is helpful but please do not hesitate to contact me or my office if you require anything further. I look forward to seeing you and the Committee later this week.

Yours sincerely,

Rt Hon Stephen Crabb MP
Secretary of State for Wales