

Note of telephone conversation between Permanent Secretary  
and Karen Sinclair AM 24<sup>th</sup> March 2010

GM informed KS that she had stepped in to put a stop to proceedings on this case.

KS advised GM that she has submitted a letter of complaint to auditors.

GM explained that she has asked WAG internal auditors to investigate the handling of this case and she expects a report next week (w/c 29<sup>th</sup> March). From this she will take some time to consider the findings and decide on the best way forward.

GM assured KS that she is now personally on the case in her capacity as Principal Accounting Officer and that this has been taken entirely out of the hands of any departments.

KS mentioned that she had initially raised her concerns in 2007, but was unable to pursue it any further as she was extremely ill during 2008, from which she is still recovering.

KS explained that the use of the WAG email address was of particular concern and mentioned that Clwyd Alyn Housing Association had also become involved in the case. She suggested that this was a result of the group being turned down for funding from WEFO and therefore looking to Clwyd Alyn Housing Association to act as a partner organisation.

GM asked whether there was any kind of complaint against Clwyd Alyn Housing Association, KS said there was not. However, KS felt that the site would be perfect for a much needed Health Centre and explained that Jeff Lang (Chief Executive, Wrexham Local Health Board) had written to express an interest in the site.

KS also mentioned that Alun Ffred Jones had visited the site, which she felt would potentially be a breach of the Ministerial Code, but she understood that he may not have been aware of the sensitivity of the situation as he was new in post.

GM explained that she is currently limited in the comments she can make as she would not want to prejudice the ongoing investigation, but mentioned that there is likely to be a change of arrangements - she is not happy about the separation of responsibilities.

KS understood that Andrew Davies (then Minister) had suggested that the team were not fit for purpose if officials were able to behave like this. She also expressed concern that she had yet to receive a substantive response to her latest letter to the First Minister.

GM explained that she had become involved in the case 3-4 weeks ago, and that she had stopped progress on the case with a view to potentially finding a new plan for the site.

KS again mentioned that she felt the site would lend itself as a Health Centre and explained that Jeff Lang had not been aware that the site was available.

GM explained that she was not happy with what had been done and that she had commissioned an internal audit report from which managerial action would be taken, including a proper judgement of the future use for the site.

KS said that she was glad that GM was now involved.

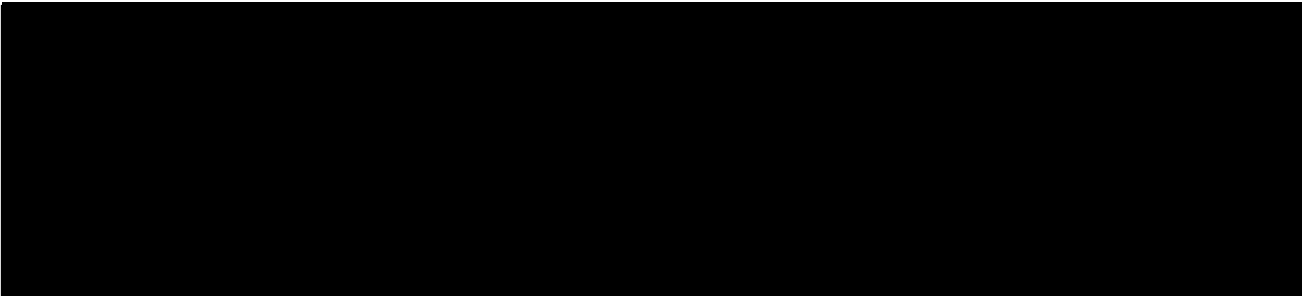
GM explained that although she cannot act against political will, she would step in if there was evidence of impropriety. KS didn't think there was much political will, she felt this was at officer level only. GM suggested that the internal audit report would probably show this

KS asked whether it would be possible for her to have sight of the completed report. GM explained that although she would not be able to share the report, there would be very public changes which KS would become aware of, and which would feed back into political decision making.

GM also explained that the behaviour of at least one senior official was in question and that disciplinary action would most likely follow.

KS thanked GM for the opportunity to speak directly regarding her concerns.

Call ended.



[REDACTED] (HSSDG - DHSS CPCHSPD)

Sent: 24 March 2010 07:50

To: [REDACTED] (Betsi Cadwaladr University Health Board - Estates)

Subject: LETTER TO THE MINISTER FROM KAREN SINCLAIR, AM - POSSIBLE HEALTH CENTRE

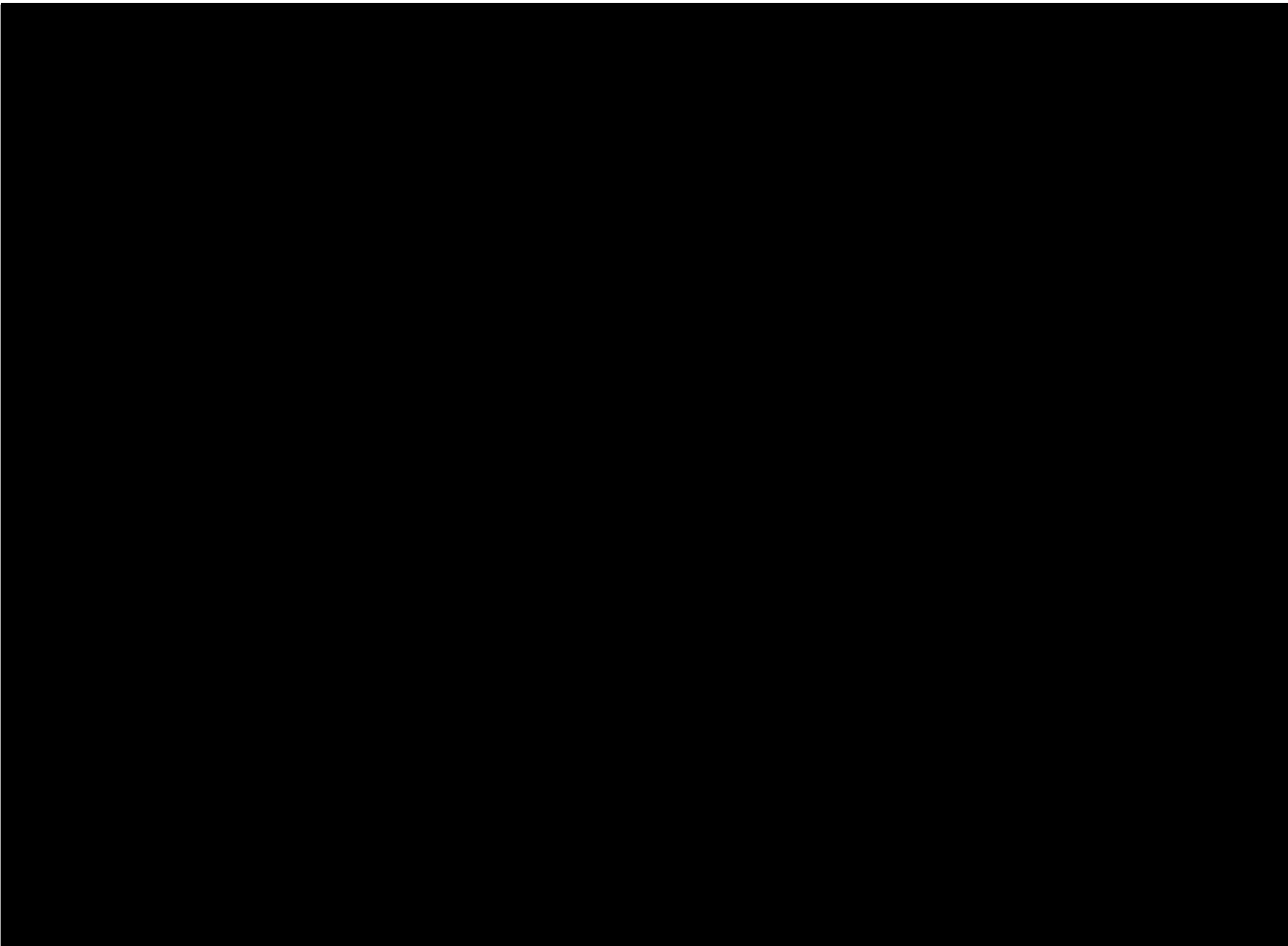
IN LLANGOLLEN



Following our discussion last week the Minister has replied to the attached letter suggesting that the Health Board are best placed to look into Karen Sinclair's proposal.

The problem is that the Minister has also requested an update on the Woodlands Hotel and the proposed Health Centre in Llangollen by this Friday. Could you please provide me with information by the deadline? When we spoke last week you mentioned that the Hotel was unsuitable for a Health Centre. I forgot to ask at the time if there is any reason why the current building couldn't be demolished and the new Health Centre built on the site. We would like to be able to provide

a positive brief to the Minister if that's possible. Happy to discuss. Thanks.



---

**From:** Sinclair, Karen (Assembly Member) [mailto:Karen.Sinclair@Wales.gov.uk]

**Sent:** 27 October 2010 16:40

**To:** Geoff Lang (BCUHB - Corporate Office)

**Subject:** Health provision Llangollen

Dear [REDACTED], I don't know if you are aware but the options review for The Woodlands site has been completed by WAG and the suggestion is for affordable housing and health/ affordable housing, This gives us the opening that I was awaiting to persue the site for a new all encompassing health facility. I would like to arrange a meeting with yourself to look at pushing this forward.

Interestingly last night I was talking to [REDACTED] who was under the impression that Oakleigh was coming onto the open market. I was very surprised in the least to hear this can you confirm or not that there are plans afoot to dispense with this site at present ?

Regards

Karen

---

This email has been scanned by the MessageLabs Email Security System.

For more information please visit <http://www.messagelabs.com/email>

---

**LETTER 1 – TO GILL MORGAN FROM POWYS FADOG (11:03:10)**

Dear Gill Morgan,

I am writing on behalf of Powys Fadog.

Two weeks after receiving information that negotiations about River Lodge/Powys Fadog had been completed (with the exception of the detailed application for the EIG), none of the officers dealing with Powys Fadog were able to give any information as to why the project had not progressed. Since then, for several weeks we have attempted to contact various Assembly officers and the Minister for Economic Development and Transport for an explanation as to why no instruction has been received by the relevant solicitors to act, given the strict time restrictions in place. We have received no response from anyone to date, despite repeated telephone calls with messages left emphasising the importance of the call and e mails to the officers and even the Minister.

At all times members of Powys Fadog have engaged with the Welsh Assembly and acted in good faith, we have also taken the Assembly's word in good faith. This despite years of frustrations, delays, unreasonable barriers and seemingly unending and disproportionate scrutiny. We feel that this faith and trust is being broken.

Obviously we are left in a very difficult situation as regards legal work and our contractors who are waiting to start work. Furthermore many partnerships we have fostered and business clientèle we have secured are increasingly being put under threat. Also we are left to deal with the media who have been following the progress of this project and are making daily enquiries.

We have become aware of the unfair position officers dealing with Powys Fadog have been put under. Frankly, we are now suspicious that there is a hidden resistance within the Assembly concerning this project. We have concluded that this whole situation, the current wall of silence, and other issues is quite frankly disgraceful, we take all these issues very seriously.

We hereby serve notice that we intend to adopt a strong stance in response to this outrageous behaviour.

Unless direct communication is received, we will have no alternative but to submit an official complaint to the Public Service Ombudsman and to approach other bodies outside the Assembly for assistance. All information currently held by Powys Fadog will be published in the interests of openness and transparency.

O'r Galon

Pol Wong

[REDACTED]

**[REDACTED] 2 – RESPONSE FROM GILL MORGAN (19:03:10)**

Dear Pol Wong

Please find below a response from Gill Morgan, Permanent Secretary at the Welsh

Assembly Government.

“Thank you for your email of 11 March on behalf of Powys Fadog.

I have personally raised a number of concerns regarding this project. These are being pursued internally with a view to being able to take a decision on next steps in the very near future. Once in this position, I will ensure that Gareth Hall, the lead official in the Department handling this project contacts you immediately.

I am sorry that you feel you have no alternative but to submit a complaint to the Public Services Ombudsman for Wales which is, of course, your right to do. However, I should point out that the Ombudsman will usually expect a customer to complain to the public body first and provide it with an opportunity to respond to the complaint. If you do wish to pursue a complaint about the Welsh Assembly Government’s administrative actions or service failure you may do so in accordance with the Assembly Government’s Code of Practice on Complaints which is available on the Internet at [www.wales.gov.uk](http://www.wales.gov.uk)“.

Yours sincerely  
Gill Morgan

### **LETTER 3 – RESPONSE FROM POWYS FADOG (19:03:10)**

Annwyl Gill,

Thank you very much for your e mail, the only information that we have received from an Assembly officer in 2 months. Also thank you for explaining that you have concerns about the project. Please could you provide a little detail about the situation? I’m sure that you can appreciate the extremely difficult position that Powys Fadog is in concerning the time constraints attached to the project, not only in terms of the time limit as regards the EIG but also in terms of our contractors and schedule of work, our partnerships and forward planning.

I’m sure also that you can appreciate that as a group of local people/social enterprise, we have worked extremely hard for years now to bring this highly commended project to this stage. Obviously we are baffled as to why, suddenly, at this late stage concerns have been raised. Even more baffling is the fact that no one is willing to share these concerns with us, or even to explain that there were concerns until now.

Thank you for outlining the complaints procedure, we are also aware that we will need to demonstrate that we have made every effort to resolve this matter with the officials concerned prior to submitting an official complaint. Until we received your e mail we have been unable to resolve the matter as we had no idea of who was delaying the project. We hope now that you can help us to successfully resolve this matter and avoid the need of official complaints being made. Therefore please could you provide us with information on the following:

- a) We assume due to the way that this is being handled that your concerns about our project are serious, could you please explain what these concerns are and when they were raised?
- b) Why hasn’t anybody raised these concerns with us until today?
- c) Assembly officers dealing with Powys Fadog have no knowledge of these concerns. Please could you tell us if there is anyone else who is aware of them?

- d) To date, what actions have been taken to address these concerns?
- e) Given the time limits, why has no date for dealing with these concerns been set?
- f) Obviously these are extraordinary circumstances, whereby even officers dealing with Powys Fadog have no idea why there has been a delay or any information as to why the project has been halted without explanation and without a date for completion, even with the knowledge that time is running out. Could you please outline for us both the motivation for, and the legal grounds under which this information has been kept from everyone involved?
- g) Could you please assure us that you will be making every effort to address the concerns you have as quickly as possible, understanding that the project will collapse if this is not done?

We hope that you can help us to understand this situation and trust that you will respond to us in a fair and understanding manner.

Diolch yn fawr

Pol Wong (Ar Rhan Powys Fadog)

**LETTER 4 – RESPONSE FROM GILL MORGAN (24:03:10)**

Dear Mr Wong  
POWYS FADOG

I appreciate your getting back to me so quickly. My concerns relate to my role as Accounting Officer for the Welsh Assembly Government which requires me to oversee compliance and value for money.

Assembly Government internal audit officials are currently undertaking a review of this project, and will report back to me as soon as their investigations are complete. The length of the investigation will depend on what issues are identified but I do not anticipate it taking more than two weeks. As soon as this work is completed you will be contacted immediately. In the meantime, having initiated this review the time condition is removed. Therefore, funding could be allocated in next year's budget.

Any further decisions involving the project and the application of those monies will only be taken following consideration of the conclusions and recommendations of the review.

Yours sincerely  
GILL MORGAN

**LETTER 5 – RESPONSE FROM POWYS FADOG (26:03:10)**

Annwyl Gill,

Thank you for your response dated 24th March.

Apologies that the following response is rather lengthy, we have tried to be as concise as possible.

Your e mail immediately raises two issues for us that we would like clarifying. The first of these is that there seems to be a contradiction between your e mails dated 19:03:10 and 24:03:10.

In the first letter you state clearly that you have personally raised a number of concerns

regarding this project. This statement seems to say that there are specific concerns that have already been identified.

However, in your latest e mail you talk about your internal audit officials undertaking a review of the project and also that the length of this investigation will depend on what issues are identified (a line that does worry us as it seems to suggest that you are actively searching for 'issues'). Obviously this statement implies that up to date no issues have actually been identified and further suggests that this is a review of the project generally, not a look at specific concerns.

Obviously these two statements are quite different. Please therefore could you clarify for us which statement by you is correct?

The second issue is that you have completely failed to supply the information that we asked for, specifically:

a) We assume due to the way that this is being handled that your concerns about our project are serious, could you please explain what these concerns are and when they were raised?

b) Why hasn't anybody raised these concerns with us until today?

c) Assembly officers dealing with Powys Fadog have no knowledge of these concerns. Please could you tell us if there is anyone else who is aware of them?

d) To date, what actions have been taken to address these concerns? Please supply dates.

e) Given the time limits, why has no date for dealing with these concerns been set?

f) Obviously these are extraordinary circumstances, whereby even officers dealing with Powys Fadog have no idea why there has been a delay or any information as to why the project has been halted without explanation and without a date for completion, even with the knowledge that time is running out. Could you please outline for us both the motivation for, and the legal grounds under which this information has been kept from everyone involved?

g) Could you please assure us that you will be making every effort to address the concerns you have as quickly as possible, understanding that the project will collapse if this is not done?

It would be helpful if you could address these issues individually and in order.

If your first statement is correct then it is vital for us that we have accurate information as regards the above. This is to allow us to respond to and inform our board members, consultants, members, contractors, partners, legal advisor's, the public and the media. We operate a strict code of openness and transparency within our organisation therefore we do need accurate information.

If your second statement is correct then please can you supply us with the following information?

How and when did you first become aware of the Powys Fadog project?

When did you officially initiate the internal audit?

Can you confirm for us that you understand the situation with the project and that it is now in serious danger of collapse due to this latest delay?

You mention that your concerns as the Accounting Officer relate to compliance and value for money. Both of these issues have been explored at great length by your officials at each twist and turn the project has taken over the past five years and most of the delays and false starts have been as a result of your officials' inflexible application of the Assembly Government's rules and regulations relating to finance and compliance to the



detriment of Powys Fadog. Each round of compliance and due diligence has been met by us at considerable cost both in terms of time and finance.

We note that it is an internal review of the project that you have initiated, our preference would be for a public enquiry to enable both parties to contribute to the process in an open and accountable manner, rather than a continued exercise carried out behind closed doors. Could you please supply us with the information on how to initiate a public enquiry and can you confirm that whatever the outcome of your internal audit that

Powys Fadog will be given access to the auditor's report?

In addition, we would be obliged if you can confirm to us that your review will cover all aspects of the Welsh Assembly's involvement with the project, particularly in respect of Finance Wales, WEFO, The Social Justice and Local Government Department (community facilities and activities programme) and Housing and Regeneration (Environmental Improvement Grant).

We appreciate that as Principle Accounting officer you are responsible for corporate governance but we fail to see (and up to this point have not been given any logical reason) why such a small project as the refurbishment of a run down hotel in Llangollen for community use warrants the personal attention of the Permanent Secretary, especially given the amount of scrutiny, compliance and due diligence at many levels that this project has undergone already.

In fact, there are many extraordinary circumstances surrounding this project that have arisen especially since January of this year and to date we have received no explanations for this extraordinary behaviour.

We are reassured by your promise that the time condition on the Environmental Improvement Grant is now removed, however we are extremely concerned by the length of time you anticipate it will take your auditor's to present their report. As previously stated our partners Pennaf are becoming increasingly concerned about the lack of progress after already making agreements with the Assembly.

Of course we are aware, as we're sure you are, that there will be a pre election period in the near future which could cause further delay. Also our contractors are becoming increasingly frustrated as are our consultants who will now be faced with updating their work at significant extra cost. In fact we are worried that the project will collapse.

I'm sure that you can understand our frustration and anxiety and quite frankly our concerns that we are consistently being treated unfairly and are being given an extremely poor quality of service.

We certainly don't see where the Nolan principles of public life have been applied in our case given some of the concerns we have raised here.

We have additional concerns about breaches of legally binding agreements between Powys Fadog and the Assembly, which our legal department are looking at separately. When their investigations are complete, our solicitors will contact you directly.

May I remind you that:

This project started in 2005.

Since the end of January 2010 when the Minister advised that the only step needed to completion was for Pennaf to complete detailed application, we have still had no detailed explanation for, or information concerning the halting of progress.

All monies applied for are specifically for the refurbishment of an Assembly building which has deteriorated enormously due to the constant delays since the Assembly purchased it. A building which is currently uninsured and without security.



This building is recognised as the gateway to Llangollen. All local residents and the local council consider the building in its current state to be a blot on the landscape and an embarrassment to the whole of Llangollen.

A legally binding agreement to lease has already been signed by the Assembly. We look forward to a swift response to this e mail, however we must stress that we will not be delaying any actions that we feel appropriate in order for us to resolve the many issues that we have at present in order for us to take our much commended project to completion.

Diolch  
Pol Wong (Ar Rhan Powys Fadog, 07742 073 949

**LETTER - 6 RESPONSE FROM GILL MORGAN (31:03:2010)**

Dear Pol Wong

Thank you for your email of 26 March 2010.

You state that there seems to be a contradiction between my emails dated 19th March and 24th March. I do not see any contradiction. You rightly comment that in my first email I state that I have raised a number of concerns regarding the Powys Fadog project. In the subsequent email I advised you that internal audit officials were undertaking a review of the project. This review is a thorough investigation based on my initial concerns which were raised with me by Gareth Hall, the lead official who has ultimate oversight of projects undertaken within the Department for the Economy and Transport. I therefore cannot see how you have concluded that these two statements on my part are quite different.

As already confirmed, these concerns relate to issues of compliance and value for money. The action I have initiated to address these concerns is to commission a review by the Assembly Government's Internal Audit team. As I have already advised you, I do not anticipate this exercise taking more than two weeks. In recognition of this delay I have removed the time condition relating to the grant offer. However, you will appreciate that no further decisions regarding this project, including funding, may be made until the conclusions and recommendations of the Internal Audit review are to hand and given full consideration.

As regards my personal involvement, I must state that I take my responsibilities as Principal Accounting Officer very seriously. In exercising these duties the scale or nature of the project is not a factor in determining my involvement nor that of the Internal Audit team, irrespective of compliance activities already undertaken.

You will, of course, be contacted further following proper consideration of the review.

Yours Sincerely  
GILL MORGAN

**LETTER 7- RESPONSE FROM POWYS FADOG (31:03:2010)**

Dear Gill  
Thank you for your response.

However you have still not addressed our queries especially relating to what are specifically your/Gareth Halls concerns, or as to WHEN the internal audit was initiated. Also you have again neglected to acknowledge our concerns over the other issues concerning the time scale and the amount of time being taken to make a decision about this project.

We would very much be grateful if you could do this. Which will save the need for an FOI to get this information.

Diolch  
Pol Wong.

**LETTER 8-** POWYS FADOG (13:04:2010) No response to previous letter.

Annwyl Gill Morgan,

I write to you once again concerning River Lodge/Powys Fadog.

Although we have written to you repeatedly asking for information, outlining our concerns about our treatment and about the danger of our project being possibly terminally damaged by your delays, we still have not received a satisfactory response.

Also, in your e mail dated 24th March you stated that it would not take more than two weeks to reach a decision. Obviously two weeks elapsed on Wednesday 7th April and still we have received no contact from you. Therefore I again ask you to provide the information that we have asked for, or alternatively a date for the decision:

What specifically are your/Gareth Halls concerns?

When were these raised with you?

When was the internal audit officially instigated?

On what legal grounds information is being withheld from both officers dealing with Powys Fadog and Powys Fadog?

Furthermore it seems appropriate at this point also to ask for an explanation into the way that Powys Fadog have been treated by yourself and the Assembly.

As a representative of China Song Shan Shaolin Temple I entered into the negotiations with the Assembly in good faith and have always understood my responsibilities concerning that position and also my position as CEO of a social enterprise.

I fail to understand however the treatment we have had and are receiving from the Assembly, in particularly since January. It cannot even be described as amicable, let alone professional, or fair, yet we have no information as to why.

Please can you rectify this situation for us. Again I strongly reiterate that the project is in serious danger of collapse due to your still unexplained actions and behaviour which are causing this latest delay.

O'r galon ac ar rhan Powys Fadog

Pol Wong [REDACTED]

**LETTER 9** - from Gareth Hall ( Director department of Economic Development and Transport) 14:04:2010

Dear Pol Wong

I refer to your email of 13 April and previous correspondence with the Permanent Secretary.

As stated in her earlier reply the Permanent Secretary initiated a review by the Internal Audit team in light of concerns I expressed regarding compliance and value for money in relation to the River Lodge project. The report from this review is now to hand which reaches a number of interim conclusions and recommendations requiring more detailed examination.

You will be aware, so far as the Powys Fadog project is concerned there is an existing agreement for lease between the Welsh Assembly Government and Powys Fadog

Community Development Centre Limited under which we have agreed to grant a lease to Powys Fadog subject to a financial pre-condition and a condition precedent. The financial pre-condition requires the production of an acceptable financial appraisal report from Powys Fadog by June 2011.

However, in formulating a proposal to fund the development of the site Powys Fadog have sought the agreement of the Welsh Assembly Government to transfer the benefit of the agreement for lease to Clwyd Alyn Housing Association and applications for Environmental Improvement Grant and Property Development Grant have been made by Clwyd Alyn Housing Association.

Whilst I am not in a position to elaborate on most of the conclusions and recommendations of the Internal Audit Review, I can confirm that there is a recommendation that any further decisions in relation to the future use of the property should follow a full options appraisal of the future use of the site. I have been requested by the Permanent Secretary to initiate this options appraisal which will include consideration of the transfer proposal and funding application being put forward by Clwyd Alyn Housing Association and Powys Fadog.

As part of this appraisal officials from the Assembly Government will be visiting the site and inspecting our properties internally.

We note your concerns arising from these ongoing activities and I will endeavour to keep you informed as the work is taken forward as it affects Powys Fadog.

Gareth Hall

**LETTER 10** - Powys Fadog Response 16:04:2010

Gareth,

We note the contents of your response, however, the concerns and issues of Powys Fadog continue to remain unresolved. It is also felt that in light of the contents of your letter, in particular, with reference to the agreement for lease that this requires further clarification from you.

We would suggest that a sensible way forward in this matter and in an attempt to resolve these issues that a meeting is arranged between us. Please could you confirm your agreement or otherwise to such a meeting taking place.

In the event that you are in agreement with this course of action please provide dates and times of your availability. You are already aware of our concerns that the project is in imminent danger of collapsing as a result of the delay to date and we trust such a meeting could be arranged at the earliest opportunity. If you are not agreeable to this suggestion could you please advise upon receipt of this e-mail.

In essence Gareth and in all honesty and frankness, it's very difficult to understand what you are trying to say. At the moment the way that I am interpreting your letter seems too incredible to be true, therefore I think it would be extremely helpful, intelligent and actually courteous to have a meeting to enable us to understand the situation clearly from your point of view.

O'r galon

Pol Wong ar rhan Powys Fadog [REDACTED]

**LETTER 11** Gareth Hall response (23-04-2010)

Dear Mr Pol Wong

Thank you for your email of 16 April 2010 requesting a meeting and for your email to the Deputy First Minister on 19 April on similar lines. As you know, the Permanent Secretary is dealing with this matter in her role as Accounting Officer.

You have also made two Freedom of Information requests and submitted a formal complaint regarding the lack of communication/contact from the Assembly Government regarding the project since reaching an agreement in January.

You are aware from my email of 14 April 2010 that the Internal Audit review commissioned by the Permanent Secretary reached a number of interim conclusions and recommendations which require more detailed examination, which is underway. I am not in a position to discuss the detailed matters which have been considered as part of an Internal Audit review, nor its conclusions and recommendations. I am, however, prepared to meet with you along with our Legal Director here in Cardiff to discuss your concerns regarding the proposed transfer of the agreement for lease to the Clwyd Alyn and Housing Association and the grant applications submitted by the Housing Association. At the same time, we can discuss your complaint about the time delays.

As regards your two Freedom of Information requests these are being dealt with separately.

Please contact my office regarding arrangements for a meeting

Gareth Hall

Director General/Cyfarwyddwr Cyffredinol  
Department for the Economy & Transport  
Adran dros yr Economic a Thrafnidiaeth  
Welsh Assembly Government  
Llywodraeth Cynulliad Cymru  
tel/ffon: 029 20826646

**LETTER - 12** Powys Fadog response to Hall [REDACTED]

Dear Gareth,

Thank you for your recent e mail accepting our offer for a meeting to discuss our concerns. Could you please suggest some convenient dates?

Diolch yn fawr

Pol Wong

**LETTER 13** Gareth Hall response (27-04-2010)

Dear Mr Wong

Thank you for your email. Gareth Hall and [REDACTED] are available to meet with you either next Friday 7th May at 12.00 or Monday 10th May at 13:00. Please let us know if either of these dates are convenient for you.

Many thanks

Janine

[REDACTED]

[REDACTED]

**LETTER 14 - POWYS FADOG I GARETH HALL (30-04-2010)**

Annwyl [REDACTED],

Thank you for your e mail concerning the dates for our meeting, unfortunately these dates are not possible for us. Please could you consider Friday 21st May or Friday June 4th? Also, would it be possible to meet in Llangollen on site at River Lodge? We feel that this would be appropriate and relevant and help to understand the project more fully.

- Hide quoted text -

Diolch yn fawr

Pol Wong

**LETTER - 15 GARETH HALL (04-05-2010)**

Annwyl Mr Wong

Thank you for your email. Gareth Hall and Jeff Godfrey would be available to meet on Friday 4 June at our offices in St Asaph. We hope this is convenient.

Kind regards

[REDACTED]

**LETTER - 16 POWYS FADOG I GARETH HALL (18-05-2010)**

Annwyl Janine

Thankyou for your response regarding the date of our meeting with Gareth Hall. I can confirm that June 4th ,at Llanelwy is convenient. Please could I suggest 1pm.

In light of the forthcoming meeting,we will be taking the opportunity to prepare a schedule of the concerns we have raised with you previously for ease of use during the meeting and in an attempt to deal with the meeting expeditiously.

We believe that this will enable each party to have a clear understanding of those issues which have been resolved satisfactorily and those which remain outstanding.

In this regard we would be grateful if you could forward to us a list of the issues which you do intend to deal with at the meeting.

We look forward to hearing from you.

Pol Wong

**LETTER 17 GARETH I NI (28-05-2010)**

Annwyl Mr Pol Wong

Thank you for your email of 18 May. I confirm our meeting at 1p.m. next Friday 4th in the St Asaph Office. I will be accompanied by Jeff Godfrey, the Assembly Government's Director of Legal Services. Also, I have been contacted by [REDACTED], a Director of Powys Fadog who will be attending along with [REDACTED] who deals with the finances.

With regard to the matters to be discussed at the meeting you will appreciate that we are not in a position to comment on the review currently underway. However, we would be very keen to discuss the agreement for lease with Powys Fadog and the condition precedent regarding funding availability. In addition, we can discuss how Powys Fadog may contribute to the current option appraisal for the River Lodge site including your proposal in conjunction with the Clwyd Alyn Housing Association.

Against the above backcloth I look forward to receiving a copy of the schedule of concerns you refer to in advance of the meeting, together with any other points you wish to be discussed.

I look forward to meeting you next week.

Gareth Hall

**LETTER 18 - Powys Fadog to Gill Morgan(06.08.2010)**

Dear Gill Morgan

I write to you concerning our project Powys Fadog and in respect of your role as Principal Accounting Officer. I am sorry to bring this back to you but we have concerns about the way your officers are handling our project and seem not to be following normal procedure and further are not following the code of conduct as regards civil service.

We also have growing concern about what appears to us to be prejudicial influences at work. We are quite desperately looking for an alternative interpretation of the situation, but given the confirmed information that we already hold, we sincerely hold this view.

As you know for some 6 months now our project has been halted at a crucial stage by your civil service and without us having any clear information as to why. Unfortunately we are still in the same position. Still without any information, and still without a date for a decision.

The only information we have been given has lacked any detailed explanations about why this has happened. You will be aware that we were told that the project was undergoing an options appraisal and that there was an investigation being undertaken. Could you please clarify whether the investigation is about Powys Fadog or an internal matter. This situation has been commented on in local newspapers by local AM Karen Sinclair without any clarification and is creating the impression that Powys Fadog are under investigation. Obviously this is damaging for us in terms of our reputation and our current business.

Concerning the options appraisal:

1 - We have been told by Gareth Hall that the options appraisal was started in April by Mr [REDACTED].

2 - We had contributed an amount of material (2 weeks ago) to be considered with the options appraisal and specifically asked for acknowledgment of receipt.

3 - We were told by Gareth Hall that we would have a decision about the options appraisal by the end of July

In relation to the above:

1 - In fact when our representative contacted [REDACTED] (the officer doing the appraisal) in June he appeared to have no knowledge of Powys Fadog or any options appraisal.

2 - We received no acknowledgment of our options appraisal contribution.

3 - After the decision deadline our solicitor attempted to contact [REDACTED] unsuccessfully. Then on Tuesday 3rd August we got an e mail simply stating that the options appraisal is not finished and that they will contact us when it is. Still no explanation for the latest delay was forthcoming.

I'm sure that you will agree that under any circumstances this is not satisfactory but in this situation when the officers are fully aware of the vulnerability of our project to time lines it is wholly unacceptable.

Please could you look at this situation on our behalf in your role as Principle Accounting Officer.

Diolch

Pol Wong, ar rhan Powys Fadog

**Letter 19** - Gareth Hall - (20:08:10)

I refer to your e-mails dated 16 and 18 August 2010.

You refer to the fact that Mr Pol Wong has written to Gill Morgan. I can confirm that a response is being drafted and I spoke with him over the phone yesterday. I took this opportunity to explain that [REDACTED] had forwarded me a draft options appraisal for the River Lodge site on which I had raised a number of comments. These are being acted upon as a matter of urgency with a view to a final report being presented at the end of next week. I also explained that the target date of the end of July for completion of this exercise which I had given when we met in St Asaph had slipped due to the need to consult both with third parties, including the Local Planning Authority, and internally.

You have also advised of the intention to issue a press statement. The Assembly Government would appreciate sight of a draft in order to comment on the accuracy as you suggest, but in doing so would reserve the right to issue its own statement, if required.

Gareth

Gareth Hall  
Director General

Swyddfa'r Cyfarwyddwr Cyffredinol  
Department for the Economy & Transport  
Adran yr Economi a Thrafnidiaeth  
Welsh Assembly Government  
Llywodraeth Cynulliad Cymru  
Tel/Ffon - 029 20 826646  
Fax/Ffacs - 029 20 823435

**Letter 20** - Gill Morgan – 24:08:10

Dear Mr Wong

RE:POWYS FADOG

I refer to your e mail dated 6 August which you copied to Mark Isherwood AM, Janet Ryder AM and the Deputy First Minister.

You have written to me in my role as Principle Accounting Officer expressing concerns about the way in which officials have handled the project and seem not to be following normal procedure nor the code of conduct as regards civil servants. As you are aware I initiated a review by the Internal Audit Team concerning the probity and value for money of the purchase of the River Lodge site and its proposed onward disposal to Powys Fadog. That review has resulted in a fact finding investigation under the WAG disciplinary policy and an Options Appraisal in relation to the site. Both pieces of work are ongoing and I am therefore not in a position to comment further until these exercises are concluded, following which I will issue a statement which will be forwarded to you.

As regards the actions of my officials in undertaking the internal audit review and in taking forward the investigation/Options Appraisal I am of the firm view that they have acted in accordance with the Civil Service Code; that is with integrity, honesty, objectivity and impartiality.

Turning to the detailed points you raise concerning the Options Appraisal I forward the following responses using your notation:

1. The instructions to [REDACTED] for him to undertake the Options Appraisal exercise were issued on 12 April 2010.
2. At your meeting with Gareth Hall and [REDACTED] in St Asaph on 4 June 2010 you were invited to submit material to be considered as part of this exercise. This was forwarded under cover of a letter dated 23 July (and received in [REDACTED] office on 26 July). Whilst this letter did not specifically request acknowledgement of receipt, this was confirmed by e mail and letter dated 3 August to your colleague [REDACTED]
3. At your meeting with Gareth Hall he indicated a target date for completion of the options appraisal by the end of July. However, this date was not met due to the requirement to consult with third parties, including the Local Planning Authority and Health Board. It is expected that the exercise will be completed within the next week. You subsequently telephoned Gareth Hall on this matter who had received similar requests from [REDACTED] of Allington Hughes Solicitors who is the person you nominated as the point of contact with the Assembly Government following your meeting with Gareth and [REDACTED] at St Asaph. I attach a copy of the reply for completeness albeit in the knowledge that you were copied in.

In relation to the above:



1. When your representative [REDACTED], first contacted [REDACTED] on 30 June, this was communicated in her capacity as legal adviser to Powys Fadog. [REDACTED] took her name and telephone number and undertook to get back to her once he received confirmation from [REDACTED] office that he was in a position to speak to her, or direct her to the Assembly government Legal Services Team given the ongoing issues. This action on the part of [REDACTED] was without knowledge of the emails from Gareth Hall's office to Tracey Powell dated 24 and 28 June which he had not seen as copy addressee due to his absence from the office. [REDACTED] spoke to [REDACTED] by phone on 1 July (followed up by an e mail) and confirmed that he had full knowledge of the case and had earlier merely sought clarification of her status before confirming the way forward.
2. See reply to 2 above.
3. I have elaborated on the delay which was acknowledged by e mail dated 3 August from [REDACTED] in my reply to 3 above.

Copies of this e mail have been sent to the First Minister, Deputy First Minister Mark Isherwood AM and Janet Ryder AM.

Yours Sincerely

Gill Morgan.

**Letter 21** – Powys Fadog to Gill Morgan 01:09:10

Dear Gill Morgan

Thank you for your reply dated 24 August 2010, a copy of which was sent to our legal representatives. The matters I have raised with you do not relate to any legal issues. My concerns relate to the procedure and the code of conduct not being followed by certain civil servants dealing with our project. It is for that reason that I feel I must also respond personally below to your letter dated 24 August 2010 . I am aware that our legal representatives have contacted you separately by email last week.

In your e mail you refer to the audit that you initiated and the subsequent investigation and options appraisal. I understand that these processes have been put in operation, but that knowledge does not address my concerns.

Of course I also understand the need for the due process in determining the best outcomes and decisions but due process does not give any explanation for the way our project is being handled.

In terms of the timing and the length of time taken at each stage and also in the unwillingness to give information to us or even to communicate openly. Neither does it give reasonable explanation of the complete lack of understanding shown towards a small community organisation which is struggling due to these actions, or to the community which will be benefiting from the project.

We gather that the options appraisal (which is still ongoing after nearly 5 months) was as a result of recommendations of the audit initiated by you in March which itself was a recommendation of a report by Chris Munday which began in June 2009. Chris Munday did not report back until February 2010, just days after the minister had seen the proposal. We have been repeatedly assured that the current options appraisal on the River Lodge site would be carried out by Mr [REDACTED] and that this investigation would be independent.

██████████ contacted our solicitor several weeks ago to say that his report was completed (he did not say it was a draft as you quote). Mr Hall then informs us after receiving this report that he has raised concerns, specifically as regards our option for the site and has sent it back to Mr Bampton, apparently without even reading the rest of the report. Therefore how can this options appraisal can be genuinely independent if your officers are able to 'amend' its conclusions around our option for the site? .Further we gather that the report by Chris Munday was a result of a legal issue brought up by Sharon Linnards office. It seems strange that legal issues were not dealt by your legal department with before the approval of an agreement to lease, which was also signed in June 2009. That is some 14 months so far to conclude whether or not there is a legal issue. Also bearing in mind that Powys Fadog were never made aware of any issues, until 2 months after our project had been halted in March. In fact we were not even informed that it had been halted at all.

Surely your highly qualified, highly paid officers are capable of delivering better quality of service to the public. Clearly the Civil service is using a significant amount of resources investigating this issue.

Even if this was reasonable it does not explain why this legal matter/investigation affects our proposal when that proposal is as Gareth Hall has informed us is a "new" proposal and was not put forward until January 2010. That is 7 months after the legal issue was brought up.

In fact you yourself have ignored our request to clarify Powys Fadogs position regarding this investigation, even though I have brought to your attention the fact that the vague information being given out by your civil service and Karen Sinclair is damaging our to our organisation.

We have in our possession several documents from Karen Sinclair AM which clearly point to third party political interference as far as our project is concerned, these date from 2007 until March of this year. Mrs Sinclair demands an audit into our project, she also demands an investigation into officers dealing with our project and further puts forward the option of a Health centre for the River Lodge site. All of these demands have been acted upon by your officers.

In regards of the code of conduct, I think that your confidence that this has not been broken is misguided, and the four points you mention of course are relative ones.

Further I fail to understand how a judgement can be so confidently made by you without asking for any further information that we may hold.

.As I understand the code is not supposed to be used as a "tick box" method of avoiding responsibility but as a guide to good practice and used in the spirit of improving level of service as well as raising the aspirations of the civil service.

They also are to inspire public confidence and trust in our civil service. In essence the aim is supposed to be for absolute openness to genuine engagement in a spirit of cooperation, respect, and professionalism. This is as opposed to being used as a legal definition which is used to provide an excuse for poor service.

For example can you really say that somebody is being honest when they refuse to speak or answer reasonable questions?

Equally can it be impartial due process when all the normal process has been changed and the usual decision makers by-passed, without an explanation which adds up? Even then in the "independent" options appraisal our proposal has been singled out because of

yet more unexplained issues. In fact Mr Hall looked at our proposal alone when presented with the [REDACTED] report before sending it back.

To that end the code elaborates and talks about civil servants giving explanations openly ,about avoidable delay, offering solutions, and so on.

As the "head" of the civil service I would have expected your standards to be on the top end of the scale not the lower end.

I note your stance about my concerns, I must say that I am disappointed and sincerely hope that as principal accounting officer of the Welsh Assembly Government you review your current use of the code of conduct in a way that promotes good practice. This would very much be in the public interest and promote a better quality service.

Yours sincerely Pol Wong

----- Forwarded message -----

From: **Ryder, Janet (Assembly Member)** <[Janet.Ryder@wales.gov.uk](mailto:Janet.Ryder@wales.gov.uk)>  
Date: Tue, Feb 9, 2010 at 3:18 PM  
Subject: FW: Powys Fadog  
To: "Wyn Jones, Ieuan (Assembly Member)" <[Ieuan.WynJones@wales.gov.uk](mailto:Ieuan.WynJones@wales.gov.uk)>  
Cc: [REDACTED]

Dear Ieuan

I am copying you all of this most recent correspondence from Pol Wong Re Powys Fadog. It does seem to contradict what you told me in your letter that everything had now been settled.

Could you possibly look again at this issue to enable me to tell Pol everything is now ready and only Pennaf have to act now.

Many thanks

Janet

---

**From:** Pol Wong [mailto:[powysfadog@googlemail.com](mailto:powysfadog@googlemail.com)]  
**Sent:** 09 February 2010 15:13

**To:** Ryder, Janet (Assembly Member)  
**Subject:** Re: Powys Fadog

Smae,  
From what I can gather its the same thing that went to Ieuan initially, and that it needed the "i,s dotting and T,s crossing" . the impression [REDACTED] gave me was that this was the assemblys job. In anycase he said it should be ready tommorow or the next day,that was over a week ago.Since then [REDACTED] is not really explaining,just saying he doesnt know where it is or how long it will take but that it will go back to Ieuan via him.I've tried ringing [REDACTED] but had no reply as yet.  
So as usual we have no idea whats happening but have muddled and vague information and a deadline looming!  
Hwyl Pol

On Tue, Feb 9, 2010 at 9:18 AM, Ryder, Janet (Assembly Member) <[Janet.Ryder@wales.gov.uk](mailto:Janet.Ryder@wales.gov.uk)> wrote:  
[which paper is this Pol as Ieuan seems to think he has done everything needed](#)

---

**From:** Pol Wong [mailto:[powysfadog@googlemail.com](mailto:powysfadog@googlemail.com)]  
**Sent:** 09 February 2010 09:13  
**To:** Ryder, Janet (Assembly Member)  
**Subject:** Re: Powys Fadog

Helo Bore da  
Diolch,that gives us some comfort,but the paper that Ieuan needs to sign seems to be taking an age (its 2 weeks now) to get back to him.This is vital if we are to start work in time to meet the deadline. I've asked [REDACTED] about it,and he cant explain why its taking so long or where it is.This makes me more than a bit anxious given past history.  
Diolch Pol

On Mon, Feb 8, 2010 at 6:04 PM, Ryder, Janet (Assembly Member) <[Janet.Ryder@wales.gov.uk](mailto:Janet.Ryder@wales.gov.uk)> wrote:  
**Hi pol**

**I had a meeting with Ieuan Wyn Jones last week and asked if he could check how things were going especially to try to make sure you keep the Environment Grant. This is the response I have had.**

**Hope it helps**

**Janet**

**PS it was dated Friday 5th**

**Powys Fadog**

Provided Pennaf Housing Group can submit a detailed application within the next two weeks and make a start before the end of the financial year, the Environmental Improvement Grant will be secure.

I, Pol Wong, of [REDACTED] Wreccsam, make the following statement:

1. My name is Pol Wong. I am the Chief executive of Powys Fadog community group. I am also the Head of the Hafan Shaolin Cymru School of Shaolin Kung Fu and an ordained disciple of the Song Shan Shaolin Temple, China.

2. In 2005 I was living at the River Lodge hotel in Llangollen and running the business of the hotel as well as running my own business from there. My own business was my school of Kung Fu and also residential courses in various aspects of the Shaolin arts. My residential courses were the main business of the hotel and I had been holding them at River Lodge since 2000.

3. In 2003 I became aware that the owner of the property wished to sell the property for housing development. I had for a number of years been exploring ways to secure the premises to develop my business and had an embryonic business plan which was continuing to develop. The business plan was developed not only as a profit making organisation but an entity that could contribute to the development of the local community and address many issues which are well recognised within the local community and also have long been touted by the Welsh government as priorities..

4 In 2005 I approached the WDA with a view to applying for business development help. It was very well publicised that the Welsh Assembly and WDA were there to help new businesses and especially small businesses.

Also I had ongoing discussions with the owner of River Lodge about the possibility of obtaining a lease on the property on a number of occasions and had formally put a proposal to him. However, he was indecisive about it and very often was out of the country so negotiations were inconsistent and difficult.

5 Amanda Brewer was my first contact with the WDA. This came about because during one of my residential courses, which her 2 children were attending, I was explaining to the group about the situation with the hotel and about my plans for the site. The children told me that their mother worked for the WDA so I asked for her number to talk to her. I presented my plan to Amanda with a view to see how I could make an application for assistance. This I did.

6. When I met with Amanda, I explained what my plans were and showed her recent financial projections that had been prepared for me. She thought that the idea was a good one and that it was the kind of thing that WDA might support. She made it clear that she would not be able to make any decision but that she would ask her bosses to meet with me. Until this time I did not know Amanda and had never met her or spoken to her.

7. The basics of the kind of assistance I was seeking was simply for security in the building which would then allow me the freedom to develop and invest in the plans free from fear of the building being sold from under our feet.

I was asking for a lease on the building in essence. Rent would be paid from our business. I had already had estimates done for refurbishments which amounted to £150k. This was based on what was deemed as "cosmetic" work needed in order to be able to open for business. From this point further works would be planned in an organic and sustainable way. This would allow us to have flexibility in the developmental plans of the building alongside prevailing and continuing development of our community objectives. This from the research that we had done was the best way forward in the long term. We had already made the decision that we did not want to apply for grants from the public purse but would apply for a commercial loan in order to do this. (Part of the philosophy and culture we were trying to develop and promote was one of leading by example. The example in this situation was to show what can be achieved when opportunity is provided and the community works together.)

8. Some weeks later I had a meeting with [REDACTED] and gave him an explanation of the business plan and financial projections, a trading history and an explanation of how the business would be a social asset with profit going towards social and community development. – a social enterprise.

[REDACTED] was obviously impressed with the plans. Particularly he was enthused by the integration of the business model with the delivery of our community objectives and also the integration of Chinese cultural activities



with Welsh cultural activities. He indicated that the plans would be the kind of thing that the WDA would support and that the project had the potential to be a flagship project for the WDA and further that we would work in partnership to deliver the project.

9. Sometime later we were informed that the WDA had indeed approved the project being supported and had approved the purchase of the hotel with a view to setting up the Powys Fadog Community Development Centre. In the next months I continued to develop and formalise our plans and I sought advice from Amanda and others as to the way ensure best practice and how best to comply and work within the wishes of WDA. She was helpful and enthusiastic.

10. At this point after discussions with the other members of our group, we decided to invite a member of the WDA onto our board. There were several reasons for this. Firstly we wanted to make sure that WDA had confidence that they had scrutiny at all times of our compliance and that the plans were developed in a way that suited them. Also it was in response to the declaration by [REDACTED] expectations of delivering the project as a partnership. None of the Powys Fadog board members were to receive any remuneration, it was agreed that all work was on a voluntary basis.

The obvious choice was Amanda Brewer who had the best knowledge of the project and its aims and objectives, and clearly had a high level of knowledge about social enterprise. Amanda said that she would have to seek permission but it was a good idea. She did seek permission which was granted and she

accepted the position of secretary. However, she made it clear at the time that she could and would not impart any knowledge or information which could give any advantage to Powys Fadog and also she said that she would or could not make or influence any decisions. We accepted this and I stated that in regards to this I would not expect any of this to be the case and further stated that I would never think of putting her in such a position.

11. During the ensuing year we (The Board of Powys Fadog):

- Held a launch event with members of public, local council, County Council and local Assembly member [REDACTED], who declined the invitation.) being invited.
- Continued to develop the business plan.
- Continued to research and develop our social/community objectives.
  - Formalised and made new partnerships. (AVOW, Welsh Cooperative, Groundwork Wrexham/Flintshire, Llangollen Police, Schools, Health organisations, Youth organisations etc).
- Consolidated and made a more robust organisational structure.
- Underwent training in various aspects of business and management, and training in responsibilities of Directors and also training in Health and safety.
  - Consulted with local residents, Local Authority, Local AM, businesses and other organisations (Police etc...).
  - Developed the plans for the building, concerning the refurbishment and phasing of work.

It was during the above activity where Amanda contributed the most, making many suggestions of potential partners and advising on the refurbishment of the building, as well as advising on the organisational structure of Powys Fadog. She also played a role as the point of contact between us and WDA.

12. During this period the WDA was absorbed into WAG without the WDA successfully purchasing River Lodge, so we also looked at other possible sites in the area to establish the project. This was suggested by Amanda. One site that we were particularly interested in was the youth hostel in Llangollen. We met and had discussions with the Youth Hostel about this.

13. About a year later WAG revisited their interest in the site and the project and began new negotiations with the owner. Eventually in 2007 the purchase of the building was completed and we met with [REDACTED] [REDACTED] with a view to WAG taking the project forward. In our meeting at the River Lodge, [REDACTED] was extremely enthusiastic about the project and again reiterated what had previously been stated by [REDACTED] [REDACTED], that the project gave a great opportunity to work in a partnership between WAG, Powys Fadog and the community to deliver what had the potential to become a flagship social enterprise project for WAG.

14. [REDACTED] was especially enthusiastic about the commitment of Powys Fadog to the sustainability approach regarding the development and our organic growth strategy, which also emphasised re-using and recycling. [REDACTED] was similarly impressed and commented that the project had the potential to be replicated across Wales.

15 Not long after this I received a document from a local resident of Bishops Walk which I was told by the resident had been posted through his door and had come from Karen Sinclair AM. He also told me that Karen Sinclair was spreading rumours that the project was about opening a "bad boys home" and that there was a conflict of interest. He also said that the Residents Association were worried about the possibility of a bad boys home being next door to them. The document was obviously official and it contained information about Powys Fadog and negotiations with WDA and WAG. The document had reference to Amanda Brewer. On receipt of this I handed it to Amanda.

She was obviously upset about it as it referred to her by name and official business of the Government.

16. Following this we applied for a commercial loan to finance Wales, who were very impressed with the plans and agreed that they would negotiate a loan of £150k for Powys Fadog. We had several meetings with them and they even offered us a larger loan than we originally asked for. However the whole project ground to a halt when WAG stated that they must do the refurbishment themselves and after doing their surveys etc they deemed that the cost of refurbishment (£2.3million) made the project unviable. The basis of this was that WAG felt that the Tourism market was for 4 star accommodation which was not what we wanted or needed for our project. A possible solution, I thought, was to buy the building off WAG, negating the need for WAG to do the work. This was explored for around 12 months but came to nothing. We eventually got them to understand that we were proposing a residential centre

for activities, with basic accommodation not a standard Hotel business. Once this had been established we were again allowed to take over the refurbishment.

17. Again during this period Amanda's main role was communicating between WAG and Powys Fadog. At no time during board meetings did Amanda have any involvement in decision making on behalf of Powys Fadog or even have a vote on any decisions. This arrangement was insisted on by Amanda and fully supported by Powys Fadog.

18. As time went on the cost of the refurbishment went up from £150k to £300k and then to £500k which meant that we now had to consider grants. In order to apply for grants we needed to demonstrate a commitment from WAG to the project, so I suggested to the board that we ask WAG for an Agreement to Lease. Amanda had no part in this decision.

19. In this period, [REDACTED] the Regional Director got in touch with me about the project due to a situation concerning letters of complaint I had written to successive Ministers for Heritage and the Minister of Economy and Transport, which had not been responded to. Although I did not know exactly the circumstances of his involvement, he said that he had got involved due to the poor way we had been dealt with up to that point. He visited the site and was extremely pleased with the international connections that Powys Fadog had, especially with China. (I was the first non - Chinese national to be ordained as a disciple of Shaolin Temple in its 1,600 years history, in fact he

had researched the Shaolin Temple and was aware that it is the third most visited attraction in China, behind the Terracotta army and the Great Wall).

20. Towards the end of 2008 it was agreed by [REDACTED] that an Agreement to Lease would be negotiated and that we should apply for Grants to WEFO and Amanda suggested that we apply to CFAP and other grant funders as well. Our financial consultant ([REDACTED]) was to make the application to WEFO.

Tim arranged a meeting with [REDACTED] of WEFO and [REDACTED] was very positive about the project and particularly enthusiastic about our emphasis on cultural and educational tourism, which would promote out of season tourism. [REDACTED] followed [REDACTED] instructions to make the application, which was an online process. However it proved impossible to access, despite many attempts. Tim reported this problem back to the board and we asked Amanda if she could take this up with WAG. At the same time I, with our solicitor [REDACTED] began formal negotiations with WAG about the Agreement to Lease.

21. Alongside the agreement to lease I suggested that it would be a good idea for WAG to give me a tenancy for the house to act as security and also to keep up with general maintenance. Also of course at that time all my personal belongings were still in the building and I had been left homeless for around a year. The impetus for this idea came because there had recently been a burst pipe which had been left with water flooding out for a number of weeks without being noticed. This caused a lot of damage and obviously raised the costs of refurbishing the building considerably. There was also a break in with

theft of a considerable amount of property. So at the same time as negotiating the lease I also negotiated the tenancy. Amanda had no part in these negotiations; it was done by myself and our solicitor. (██████████).

Eventually the agreement to lease was signed in June 2009, and I also signed the tenancy agreement and sent it back to WAG.

22. From the time of ██████████ involvement and the consenting of negotiating an Agreement to Lease, Amanda had stepped even further back and made less of a contribution on the board. This more or less meant that she took the minutes and continued in her main role as part of the subcommittee we had set up to project manage the building contract. Even her role as point of contact had diminished by then due to me having direct contact with ██████████, although it was sometimes difficult to get in touch with them and Amanda did pass on messages and information to them.

This period was particularly frustrating, considering the long drawn out processes we had already been through by then and now, again we were being frustrated in negotiations for the lease by the slow responses to each step of negotiations by WAG.

By this time I had been homeless for over a year and WAG seemed to be dragging their feet with negotiations and were difficult to communicate with.

23. Eventually the negotiations were completed and we signed the agreement for Lease and I signed the tenancy agreement for the house and sent it back to

WAG. This tenancy agreement never ever came back. Of course I did keep asking Martin Williams what was happening and also I did ask Amanda to ask him

what was happening with it, because he very often would not respond to calls from me. In those cases it was simply a case of passing messages on, as far

as she was concerned.

The grant applications all failed, which was a big surprise after all the positive initial feedback from ██████████ of WEFO and the obvious fit with CFAP. In

fact ██████████ commented on this in an Email to me at the time, expressing his surprise and his disappointment.

The reasons given by both departments were completely unsatisfactory and seemed to totally misunderstand the project. However we had received in

principle agreement for an EIG grant of £240k. By this time, around a year of our agreement to lease had run out. So we

again started to look at alternative funding options because it was so difficult to get genuine engagement with WAG, (WEFO and CFAP).

24. I had an idea about asking housing Associations to contribute. As Amanda knew officers in Clwyd Alyn we asked her to approach them, and myself



knowing Board members of Wales and West I approached them. Amanda introduced the idea to Clwyd Alyn and got a very positive

response. Powys Fadog then told John Adshead about this and he then met with officers from Clwyd Alyn to see if a way forward could be found.

After her initial meeting with CA, all negotiations with CA and WAG were between [REDACTED] and myself. From that point onward

Amanda had no part in any negotiations, and her sole role was concerning the project management of the refurbishment.

Eventually a package was agreed by [REDACTED] [REDACTED] /lan Williams (Regional Director), the board of Clwyd Alyn

and Powys Fadog which could deliver the project. Heads of terms were agreed and a Ministerial Briefing prepared and submitted in late January 2010.

This package addressed all the issues that Karen Sinclair had been continuously repeating since 2007. (By this time we had become aware of letters from Karen

Sinclair claiming that there was a conflict of interest and that the project was not value for money etc). The cost of the set up including refurb was at that time

£850k.

In the new proposal ([REDACTED]) Clwyd Alyn would be the leasee and would provide around £300k, about a third of the cost. We had already

secured an Environmental improvement Grant of £249k by the dept of regeneration, who had agreed to transfer the grant to Clwyd Alyn in order to complete the

project. Also the department of Economy approved a property grant of about £300k. Also we had in principle agreement from Cadwyn clwyd for £75k revenue

grant and in principle agreement for £175k from Menter Mon (Cyfenter).

25. I was informed on February 2nd by Janet Ryder AM that the Minister was happy with the briefing. However no news came back from WAG.( See attachment leuan wyn jones re MB).

After that, despite talking with [REDACTED], I could not get any information as to why it was taking so long to get final authorisation. Our contractors were ready to start the contract, and we had a matter of weeks before the grants would expire.

[REDACTED] eventually told me that one of his two bosses was happy with it but one was not (Apparently he had issue with a potential conflict of interest), and that

he wanted another paper prepared for the Minister which "dotted the i's and crossed the t's". (record available)

He assured me that this would be done quickly and passed to the Minister as quickly as possible. In my last conversation with him he told me that the paper had

been completed but had disappeared and he could not find out what was happening and had been told in no uncertain terms to "keep out of it". He also remarked

that the problem was that I had enemies locally with connections in high places. After that he did not respond to phone calls or Email, neither did [REDACTED]

[REDACTED] That was the last I heard of the matter despite very strenuous attempts to get information from the Government including by direct correspondence with

the [REDACTED], the Minister of the Dept and even FOI..

Almost 2 years later ,through FOI, I found out that the original briefing had been withdrawn and that a submission had been prepared [REDACTED]

[REDACTED].(Obviously the "dotting the i's and crossing the t's paper that Ian Williams had mentioned). This submission was supported by the Compliance Review

conducted by [REDACTED].

However the submission never got to the Minister.

26. Some 2 months later I traced the block to the Permanent Secretary, but unfortunately she was unwilling to give any explanations as to why she

had "personally raised issues" with the project or what the issues were. ([REDACTED]  
[REDACTED].doc.March 11th 2010).

The situation remained the same, in fact has remained the same until the publication of the WAO issued a report (June14th 2012).

As a result of the lack of information and also refusal of WAG to communicate I made several Freedom of information requests.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

29. Also revealed in the FOI requests is a letter to the Health Minister Edwina Hart and Business Minister Jane Hutt [REDACTED] again

repeating her unfounded claims about various aspects of the project and also requesting that the Ministers help to set up a health centre on the site.

Within days of this letter an Email from a WAG officer to the local health Board says ( See attachment 364Email March 2010): "The problem is that the Minister

has also requested an update on the Woodlands hotel (Woodlands is the local name for River Lodge) and the proposed health centre in Llangollen by this Friday

could you please provide me with the information by the deadline? When we met last week you mentioned that the hotel was unsuitable for a health centre,

I forgot to ask at the time if there is any reason why the current building couldn't be demolished and the new Health centre built on the site, we would

like to be able to provide a positive brief to the Minister if that's possible."

This is just days after the Permanent Secretary had taken control of the project and before the internal review which recommended an investigation

into Amanda's involvement had been completed..

Also on the same day Karen Sinclair and the Permanent Secretary have a telephone conversation (See attachmentKSGM.), discussing details of the decisions

being made at the time, even though there had been NO CONCLUSION reached by the internal auditors (The Internal auditors reported back in April. In these two

conversations of the 24th March the overall undercurrent seems to be that the Powys Fadog project has already been discounted.)

During this activity Powys Fadog had no idea what was happening except that the Government would not discuss anything until after the auditor reported back.

Of course by this time we had one week left to complete the legal work to release our grants, on the other hand negotiations with the health board were moving at light speed.

Eventually the Audit recommended an internal investigation into Amanda Brewers role and also an options appraisal We did strenuously try to get information as to why an options appraisal was needed, when a finished proposal was on the table in the form of a ministerial briefing AND a Ministerial submission. Again the Government refused to talk to us until the options appraisal was finished.

#### Options Appraisal-

██████████ told us in a meeting that the options appraisal would be independent (A complaint against Gareth Hall and the PS had previously gone to the Ombudsman), and that it would be done by ██████████. When our solicitor contacted ED Bampton, he had no idea who Powys Fadog were or what the options appraisal was about. This was later explained as a mix up by the WG. After about 5 months ██████████ phoned our solicitor and said that he had finished his appraisal. I waited for a week and heard nothing, then eventually I phoned Gareth Hall on 8th August. Here is an extract of the transcription of the conversation....

[Redacted]

[Redacted]  
[Redacted]  
[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]  
[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]  
[Redacted]

[Redacted]

[Redacted]

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

[Redacted]  
[Redacted]  
[Redacted]

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Also from FOI's we see that the previous review (Chris Munday report) was Revisited a number of times with consultation between officers dealing with the disciplinary investigation and internal review taking place. This is how I see the situation from the information available.

31. Also I declare that at all times both Powys Fadog and Amanda Brewer have acted in good faith. Amanda has never offered any information or used her position to the detriment of WAG. Powys Fadog have never sought any help other than that which we feel we are legitimately entitled to through following all due process and meeting the required criteria.

The fact of the matter is that although the project had support from the whole of the WDA and then the whole of the Department of

Economy and Transport North Division, successive Ministers of the Department over years the Permanent Secretary was able to stop it

without explanation and then construct an explanation over the ensuing years without any scrutiny or interference.

This statement I have made, I sincerely believe to be true.  
Pol Wong

[REDACTED]

30<sup>th</sup> October 2012

Mr Derek Jones  
Permanent Secretary  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ

Dear Mr Jones,

**Re: River Lodge, Llangollen**

Firstly I would like to congratulate you on your recent appointment as Welsh Government Permanent Secretary. I am hoping that as a fresh and untainted face at the helm of the Welsh Civil Service, you will be able to address our grievances, for which your predecessor was responsible, in an objective and transparent manner.

I know you were appointed several weeks ago and took office on 8th October 2012. Doubtless you will have spent time in preparation for this appointment so that you would “hit the ground running” on your first day and I am sure that preparation will have included briefings from senior management. I would be very surprised if one of these briefings did not concern River Lodge, Llangollen, having regard to the fact that the project is now under close scrutiny by the Public Accounts Committee. (At this point you either have your head in your hands, as you have been made fully aware of what some of your senior officers have been doing over the last two and a half years, and you have been dreading this toxic subject crossing your desk, or I have just piqued your interest about something of which you are only vaguely aware.)

I am writing to you regarding my wife Amanda Brewer and [REDACTED], a “not for profit” community organisation. To provide you with just a little background information, Amanda was dismissed from her post in DE&T in November 2010, and the Powys Fadog project was brought to a sudden halt in February 2010.

This saga involves a former [REDACTED] who appears to have a vendetta against my wife and Powys Fadog. I have listed below just some of her misdemeanours:

- data protection laws ignored
- an attempt to prevent freedom of speech
- misleading the First Minister
- making abusive and threatening phone calls to a civil servant (Amanda)
- distribution of copies of a confidential ministerial briefing to constituents
- potential libel against Powys Fadog members
- an admission that in a telephone conversation with your predecessor, she persuaded her to stop the Powys Fadog Project and to have Amanda disciplined

And the misdemeanours of civil servants:

- a senior civil servant supervising a disciplinary exercise with 3 separate conflicts of interest
- several senior and junior civil servants lying to the general public in correspondence and phone calls
- senior civil servants lying in Freedom of Information requests.
- documents altered during a disciplinary fact finding investigation at the behest of very senior civil servants with possible criminal activity taking place.
- senior civil servants answering Freedom of Information Requests regarding complaints into their own behaviour thereby having a clear conflict of interest which breaks the civil service code and brings the WG into disrepute.

In addition to the above, the Welsh Audit Office produced a report on River Lodge followed by the Welsh Public Accounts Committee taking a further look at events following concern from the public and with more than a whiff of “something very wrong”. As a consequence, both [REDACTED] and James Price were obliged to give evidence to the PAC on 10th July 2012, and you can see from the evidence provided by my wife, that your predecessor deliberately attempted to mislead the Committee on several occasions. [REDACTED] appears to have also made a deliberate attempt to mislead the same committee when it sat in Llangollen on Monday 8<sup>th</sup> October.

In essence, we have an AM (now retired) who seems to have violently disliked the Powys Fadog Project and disliked my wife even more. She appears to have set about trying to stop them both “at all costs”, whilst promoting an alternative plan for the River Lodge site, a [REDACTED] facility. I believe that having been assured by civil servants that the project would fail through lack of funding, the AM discovered in Jan 2010 that Powys Fadog had secured a new source of revenue from Clwyd Alyn Housing Association. This caused her to seek support from at least two Ministers, [REDACTED] (Health, the Betsi Cadwaladr link) and the Permanent Secretary to prevent this partnership going ahead. To this end, a device to stop the project had to be found which not only discredited Powys Fadog and would prevent them from accessing more monies, but would also deflect unwanted questions from Ministers, AMs, members of Powys Fadog and members of the public for as long as possible, bearing in mind that Powys Fadog had a legally binding Agreement for Lease on River Lodge until summer 2011, which prevented Welsh Government taking any action until that Agreement expired.

I believe that senior officials found an ideal solution; a manufactured disciplinary case and internal investigation whereby Amanda, who was a voluntary unremunerated member of Powys Fadog, was forced to endure a very protracted disciplinary exercise culminating with her pre-determined dismissal. With her reputation and that of Powys Fadog ruined and an internal investigation ongoing, Welsh Government would not be able to answer any questions during this period. The Agreement for Lease would therefore eventually expire with Powys Fadog being rendered incapable of meeting the conditions because they had effectively been paralysed. Job done.

What Gillian Morgan did not envisage was a stubborn determination by my wife Amanda, Pol Wong and members and supporters of Powys Fadog to see the corruption and maladministration exposed. I believe Gillian Morgan assumed that Amanda would “disappear”, either through acceptance of her dismissal or sheer exhaustion at the amount of effort needed to fight any wrongdoing by Welsh

Government. As a result, she believed the Powys Fadog Project would die because it had been strangled by lack of financial support. However, both my wife and Powys Fadog are still fighting and the truth is now becoming apparent to AM's and the general public, and they don't like what they are seeing.

Gillian Morgan announced her retirement before the summer recess. Her retirement statement came within hours of [REDACTED] question to the First Minister about an e-mail chain which appeared to show Ministers and Officials were plotting to put a Betsi Cadwaladr facility on the River Lodge site before the Options Appraisal on River Lodge commenced and some weeks before Amanda was suspended prior to a fact finding investigation and subsequent disciplinary case.

Please note that I have hard evidence to corroborate all my accusations, every one of which was ignored by your predecessor and her senior colleagues, for obvious reasons. Also, should you ask advice from [REDACTED] the Director General of BETS, note that it is in his department that officers are answering FOI's into their own behaviour, and Mr Price is supervising this. One of the FOI's has taken 8 months to answer and some have never been answered at all, 20 days being the statutory time limit if my memory serves me well, but this is a small misdemeanour compared to the mountain of maladministration that is rife at the top of Welsh Government.

Our original intention was to let the PAC investigation run its course before taking further action. However, this situation changed when we discovered with dismay that Gillian Morgan had "slipped the net" and would no longer be made to answer for her actions, especially as we had been informed that she would be forced to stay her retirement until the PAC had concluded its evidence gathering. To prevent other civil servants from "slipping away" before the PAC has reached its conclusion, [REDACTED] [REDACTED] included, our effort to expose the maladministration will have to be intensified. To this end we will have to consider submitting many more Freedom of Information requests, letters to Ministers etc. in parallel with the PAC investigation.

This cannot be allowed to go on indefinitely. How much more taxpayers money are you prepared to waste protecting these rogue senior officials and should I be bringing this to the attention of the PAC? I have heard of two authors, one a journalist, who have requested access to all our evidence with a view to writing a book. It is a little premature, but if a book has to be written after exhausting all possible solutions, that would at least give me some satisfaction as would exposure of the full facts via social media.

In the circumstances, we feel that it is only fair to give you the opportunity to hear our formal complaints in person. To this end we would like to invite you to a meeting in the very near future at a mutually convenient time and location. It is well documented that all my wife and Pol Wong have been seeking is justice. The wrongs have got to be put right. If you feel you are unable to deal with this problem, then it is the intention of my wife and the Powys Fadog Group to petition my MP who is also the Secretary of State for Wales, the Cabinet Office in Whitehall and the Prime Minister's Office, who will be provided with a copy of this letter and a full dossier of evidence and complaints in the very near future.

My wife, myself, Pol Wong and Powys Fadog are wholly supportive of the Welsh Government and Assembly. Both Pol and Amanda have made it clear in the past that they would be happy to draw a line under events should the Welsh Government repair the damage they have caused. [REDACTED]

[REDACTED] and better procedures, policies and scrutiny put in place so that the debacle over River Lodge is not repeated. No one wishes to see the Welsh Government brought into disrepute, but Powys Fadog has lobbied for the Welsh Government to clean up its act with no result.

Our preferred option would have been for the problems we exposed to be tackled internally to prevent adverse publicity, as it is still the vision of Powys Fadog to proceed with the project, preferably in accordance with Welsh Government's original partnership approach. However, from time to time Powys Fadog has felt the need to put forward their views to the press following adverse and misleading statements from the Welsh Government.

All this because the Permanent Secretary made a fundamental error and one lie after another snowballed into multiple cases of maladministration, which are still occurring.

I am delighted to hear that your watchwords for the civil service are excellence and delivery and I have every confidence that you will deal with this matter fairly and justly as befits your position

You may consider it would not be appropriate to hold a meeting into these matters whilst they are subject to investigation by the PAC and would prefer to wait until the committee has completed its deliberations next spring, however, I would not accept this argument. The Welsh Government has already pre-empted the findings of the PAC by allowing Gillian Morgan to retire half way through the proceedings, thereby evading any disciplinary action. In addition the PAC's remit is very narrow and does not cover the behaviour of politicians or civil servants which can therefore be considered separately. It may be that you refuse to meet us under any circumstances, in which case, having regard to the seriousness of the allegations made against senior officials, I would respectfully suggest that you will become part of the problem rather than part of the solution and I will reluctantly have to consider taking the matter to a higher authority.

I look forward to a positive response.

Yours sincerely

Arthur Brewer

Dear Minister,

Below is the original e mail sent on Thursday 5th March.

Mysteriously an e mail has now been received this afternoon from the Permanent Secretary Gill Morgan which I will forward to you. As you will see it contains no information or explanations. Furthermore, there does not seem to be any regard or concern about our project or the way that we are being treated. Critically, it does not address the fact that the project must start spending before the 31st March. There are still no details being provided as regards what the 'concerns' are and no date is provided by which time the concerns will be dealt with. There has been no update from the last information that we had dated the 5th of February from the Minister advising that everything was fine apart from the detailed application for the EIG having to be submitted by Pennaf. Surely considering the circumstances an explanation is appropriate, also if there are concerns surely we should be informed what these concerns are.

Please, can someone spare half an hour to talk to me?

Diolch

Pol Wong (Ar rhan Powys Fadog)

[REDACTED]

Pol Wong <[powysfadog@googlemail.com](mailto:powysfadog@googlemail.com)>  
[toieuan.wynjones@wales.gsi.gov.uk](mailto:toieuan.wynjones@wales.gsi.gov.uk)

dateThu, Mar 4, 2010 at 11:27 AM  
subjectPowys Fadog  
[mailed-bygooglemail.com](mailto:mailed-bygooglemail.com)

hide details Mar 4

Annwyl Weinidog,

Rwy'n sgrifennu atoch ynglyn a phrosiect Datblygiad Cymunedol Powys Fadog. Rwy'n gwerthfawrogi eich bod wedi'n cyngori bod y Grant Gwella'r Amgylchedd yn ddiogel cyn belled a mae Pennaf wedi cyflawni eu cais manwl(05.02.10). Gallaf eich hysbysu bod hyn bellach wedi cael ei wneud. Fodd bynnag, fel y gwyddoch chi, rhaid inni ddechrau'r gwaith cyn 31ain Mawrth. Hefyd, fydd y GGA ddim yn gael ei gynnig i Pennaf tan mae penderfyniad y Gweinidog/gwaith papur wedi cael ei arwyddo.

Yn ogystal a hyn, er bod Powys Fadog a Pennaf wedi cyfarwyddo'u cyfreithwyr ni allant weithredu ymhellach nes bod yr uchod wedi cael ei arwyddo. Yn amlwg, bydd y gwaith cyfreithiol (rhwng y Cynulliad, Pennaf a Powys Fadog) yn cymeryd cryn dipyn o amser i'w gyflawni er mwyn inni ddechrau gwaith ar y safle. Erbyn hyn mae gennym lai na mis i gyflawni'r gwaith hwn. Dywedodd [REDACTED] wrthym ryw fis yn ol y dylai popeth gael ei arwyddo mewn mater o ddyddiau, ond hyd yma dyw hyn ddim wedi digwydd. Rydym yn awr mewn perygl o golli'r GGA, a felly o weld y prosiect cyfan yn mynd i'r wal. Os dydy o ddim yn gael ei arwyddo mewn mater o ddyddiau rwan, fydd y prosiect mynd i'r wal.

Er bod Powys Fadog a Pennaf wedi cael eu sicrhau bod popeth yn iawn, rydym bellach yn methu cael unrhyw wybodaeth oddi wrth y Cynulliad ynglyn a pam fod y broses i'w weld wedi dod i stop. Rwyf wedi ceisio siarad gyda [REDACTED] ar fwy nag un achlysur ond does ganddynt hwy ddim syniad beth yw'r broblem , a dywedant nad ydynt yn cael unrhyw wybodaeth chwaith.

Mae'r sefyllfa hon yn peri cryn ddryswch a phryder i Powys Fadog ag ystyried cyn lleied o amser sydd ar ol, ac o gofio'n profiadau blaenorol ynglyn a'r prosiect. Rydym yn ofni bod rhywbeth difrifol o'i le yng ngwyneb y distawrwydd hwn, a'r ffaith nad oes gennym ond ryw 20 diwrnod ar ol i'r prosiect gael ei arwyddo ac i'r gwaith cyfreithiol gael ei gyflawni.

Os gwelwch yn dda, allech chi gynnig unrhyw gymorth neu gyngor inni ynglyn a'r mater hwn? Mae'n torri ein calonnau i feddwl y gallai'r prosiect hwn fod mewn perygl am ddim rheswm gweladwy, yn enwedig pan ystyriwch mai grwp o bobl leol ydym sydd wedi gweithio'n ddi-flino ers pum mlynedd bellach achos bod gennym gymaint o ffydd yn y buddiannau bydd y prosiect yn eu darparu i'n cymunedau lleol. Yn ogystal a chostio mwy na £90,000 mewn ffioedd a threuliau, mae'r pum mlynedd diwethaf wedi golygu cryn aberth bersonol inni i gyd. Codwyd disgwyliadau'r bobl leol hefyd ynglyn a'r prosiect.

Diolch o'r galon

Pol Wong (ar ran Powys Fadog, [REDACTED])

Dear Minister,

I am writing to you concerning the Powys Fadog Community Development project. I appreciate that you have advised us that the Environmental Improvement Grant is safe as long as Pennaf submitted their detailed application (05:02:10). I can report that this has been done, however, as you know we must start work before the 31st March . Also, the EIG will not be offered to Pennaf until the Ministerial decision/paperwork has been signed.

Furthermore, although both Powys Fadog and Pennaf have instructed solicitors, they are unable to act any further until the same has been signed. Obviously the legal aspects (between the Assembly, Pennaf and Powys Fadog) will take a significant amount of time to finish in order for us to begin work at the site. We now have less than a month in which to complete this work. We were told by Mr John Adshead about a month ago that it should be signed off in a matter of days, up to this point this has not happened and we now risk losing the EIG and therefore the whole project collapsing. If this is not signed off in the next few days, then the project will collapse.

Although both Powys Fadog and Pennaf were assured that everything was fine, we are now unable to get any information from the Assembly as to why the whole process seems to have halted. I have repeatedly tried to speak to [REDACTED] but they are also at a loss as regards what the issue is and state that they are not being given any information either.

Powys Fadog find this situation completely baffling and worrying given the time constraints and previous experiences concerning our project. We fear that something is seriously wrong given the current wall of silence and the 20 odd days we have left for the project to be signed off and for the legal work to be completed.

Please can you offer us any help or advise in this matter? To think that this project could now be in jeopardy for no apparent reason is devastating, especially considering that we are a group of local people who have worked tirelessly for 5 years because we believe so much in the benefits that the project will bring for our local communities. We have all had our lives on hold for the last 5 years, we have incurred £90,000 worth of fees and expectations locally have been raised about this project.

Diolch O Galon

Pol Wong (ar rhan Powys Fadog , [REDACTED])

Dear Ieuan,

It is with much regret that I am writing to you once again regarding Powys Fadog for contrary to your last letter this project is still waiting to progress.

I am sure you are aware of the facts relating to Powys Fadog which is a saga that has been going on for far too many years now. There have been a number of twists and turns but the current situation is that an Environment Improvement Grant was applied for in 2008, this was agreed in principle and a formal offer was received in December 2009 .



The group approached Pennaf with a view to finding the last bit of funding for the project, following being turned down for WEFO money and with the knowledge that they were involved in similar community projects. On 20th January 2010, Pennaf's board agreed to take over the head lease from the Assembly and give Powys Fadog a sub lease for 25 years at an independently valued market rent. Pennaf made a detailed application to have it transferred to them in mid February of this year.

The last information the group has states the EIG runs out on the 31st March 2010 and as far as they know no work has been able to be progressed on the legal work necessary to meet this deadline.

On the 5th February you wrote to me regarding this project ( a letter which I copied to the group) stating " Provided Pennaf Housing Group can submit a detailed application within the next two weeks and make a start before the end of the financial year, the Environmental Improvement Grant will be secure."

This is the situation in a nutshell.

I am sure you will agree with me that this is a totally unacceptable situation and one which has caused this group, who have committed much time and effort to bring this project to completion, a great deal of concern.

They now simply cannot understand why following your letter this project is still not progressing.

I would be most grateful if you could please offer me and Powys Fadog an explanation.

I look forward to your swift response.

Janet

**Pol Wong** [REDACTED]

10/18/10

to psdeputyfirstm.

Annwyl leuan,

I again write to you concerning Powys Fadog. The board of Powys Fadog have received a letter (15:10:10) from Amanda Brewer stating the following:

" Further to my letter to Powys Fadog Board 15th April 2010, I write to inform you that the investigation referred to has now been completed and I am required to attend a disciplinary hearing into allegations which may constitute gross misconduct."

" I confirm that my decision not to attend board meetings or carry out voluntary work for Powys Fadog as set out in my letter of 15th April still stands until a final decision is made on my future by the Welsh Assembly Government, at which time I will reconsider my position unless of course the board ask me to resign prior to that date. Notwithstanding this, I would once again like to reiterate my support for the company and its aims and objectives".

Given that the investigation has now been completed, please will you meet with myself and board members of Powys Fadog and listen to what we have to say?

As I'm sure you will appreciate, this is an urgent matter, especially with the spending cuts being announced on Wednesday which we feel is going to be used as an excuse to finally kill off our project.

[REDACTED]

Yn gywir

Pol Wong

[REDACTED]

[REDACTED] (DE&T - Director) < [REDACTED] .+

11/2/10

>  
to me

I refer to your email of 18 October to the Deputy First Minister which has been passed to me for reply.

As regards the letter from Amanda Brewer from which you quote, this is personal correspondence between you on which I am not in a position to comment.

The options appraisal exercise has now been completed and you have been forwarded a copy along with the draft which you requested previously.

[REDACTED]

Director General  
Cyfarwyddwr Cyffredinol  
Department for the Economy & Transport

**Comment from Pol Wong:**

**This e mail is addressed to Clwyd Alyn Housing Association regarding our Environmental Improvement Grant. Clearly this grant had been approved as stated. (At the time of this approval James Price was head of the management team which gave approval). As is seen below, the time was run out by the Permanent Secretary delaying and preventing the Ministerial Submission which would have allowed Clwyd Alyn to draw down the funding.**

**The 250k contribution by north region infrastructure had been approved by relevant officers with necessary authority ([REDACTED]) The Permanent Secretary overturned this decision.**

**From:** [REDACTED] DE&T - Ops North) <[REDACTED]>  
**Sent:** 17 November 2010 17:47  
**To:** [REDACTED]  
**Subject:** RE: Former River Lodge Hotel, Llangollen

Annwyl [REDACTED]

Thank you for your e-mail.

The Environmental Improvement Grant application that you submitted earlier this year was conditionally approved for £249k by the Senior Regeneration Management Team in February but with tight conditions. These included the requirement that the funding was to be drawn down before the end of March 2010 and that the Assembly's North Region Infrastructure Team needed to confirm their own contribution of a further £250k towards the project. This latter element of the funding package was not forthcoming and consequently the EIG Offer could not, and was not sent.

I'm afraid that EIG funding in areas outside designated Regeneration Areas is no longer available and your application cannot therefore be given any further consideration. I'm unable to comment as to the future of the site since it is currently subject to an ongoing internal review.

I'm sorry that I cannot be of further help with this project.

Cofion

[REDACTED]

Additional sources of income for business plan.

**University** Courses: Certificate, Diploma, Masters Degree

Powys Fadog has been appointed as consultant to the University Sports Science Department. Collaboration with the University has culminated in the University being able to offer courses in sports sciences, in relation to martial arts and martial arts coaching. Three levels of courses are being offered through online distance learning and weekend experiential workshops, which will be hosted at River Lodge. (Subject to WAG accepting PF proposal). Annual income anticipated as a result:

**Diploma courses:**

6 weekend experiential courses held over a period of 8 months. Income will be generated through consultancy fees, training facility hire, board and accommodation for students and lecturers. It is expected there will be an average of 20 students per course. Total income for each course is expected to be in the region of £2600 per course generating a total gross annual income of around £15,400 per annum.

**Certificate courses:**

The same annual gross income of around £15,400 is also expected from certificate courses.

**Masters/Degree courses:**

3 weekend courses per annum over a 3 year period, 20 students per course average

Total income per weekend course is anticipated to be in the region of £2,600, generating a total gross income per annum of £7,800.

**Total anticipated University course income per annum:**

<b>Diploma courses</b>	<b>£15,400</b>
<b>Certificate courses</b>	<b>£15,400</b>
<b>Degree/Masters courses</b>	<b>£7,800</b>
<b>Total:</b>	<b>£38,600</b>

**Other Martial Arts Courses** held at Powys Fadog by WorldMac: coaching courses, refereeing courses, first aid etc.

It is anticipated that 6 courses per annum will be held with a minimum of 20 students on each course, generating a total gross income of **£12,000**

**Total income anticipated from all courses : £50 600 pa.**

**Tournaments:**

World Martial Arts Council Four Nations (biannual), University Challenge, (annual) Battle of Britain, (annual) World Games (every four years).

Agreement has been reached (subject to WAG's acceptance of PF proposal) with the World Martial Arts Council that PF can hold regional University Challenge and Battle of Britain tournaments which can potentially generate between £5,000 and £20,000 per annum.

The World Martial Arts council have also agreed to accept bids from PF to hold international tournaments which would generate significant additional income.

There are also other opportunities to host courses, conferences and seminars which will be available to Powys Fadog through the World Martial Arts council's worldwide promotion of River Lodge as one of its centres of excellence. The World Martial Arts Council has over 500,000 members in 39 different countries.

Other income generating opportunities include Social weekends, International student exchanges and using River Lodge as a venue for other martial arts courses

**Cultural tours and weekends**

Powys Fadog have secured interest from the Ameri-cymru group of organisations. This organisation is an umbrella group for a number of regional American/Cymru associations. Average membership of these associations is 30,000.

Our 'Welsh experience' packages are designed specifically around these groups and will be promoted through the umbrella organisation.

It is expected that Welsh experience package at £700 per week will provide income of £14,000 per annum.

**Summary**

Therefore total anticipated additional income to the business plan is :

University courses:	£38,600
WMAC courses:	£12,000
Cultural Tours:	£14,000

**Total: £64,600**

(Note: These additions do not take into account additional take up of courses run directly by Powys Fadog through WMAC promotion. Also they do not take into account significant income from tournaments.)

## **ECONOMIC RENEWAL PROGRAMME , A NEW DIRECTION**

In the paper-Economic Renewal Programme, a new direction published June 2010, chapter 1 states that there are 5 priorities, 4 of those priorities are :

### **1. Making Wales an attractive place to do business.**

We need to develop the conditions which not only allow, but actively help, people and businesses to flourish sustainably – by making the most of our assets, by improving the health of our working age population, and by getting the balance right between environmental, social and economic objectives.

The detail under this heading includes the following statements :

Tourism, sports, the arts and the historic environment also have a direct impact as vibrant sectors of the economy that make a significant contribution to GVA and support high numbers of jobs throughout Wales. Our ability to host major events – sporting and cultural – is crucial in raising our international profile and reputation as well as attracting high numbers of visitors.

Our international profile is critical. Today, Wales must compete with every other location for our share of the world's commercial, political, social and cultural transactions. The markets in which we compete are increasingly global and very crowded – we need a distinctive competitive identity.

A nation's competitive identity is made up of a complex mix of experiences, perceptions and associations often created over a long period. Nations with a positive reputation and image can add value to the goods, products, services and companies associated with that country –the so-called “identity premium”.

Research and experience suggests that Wales has not, in the past, benefited from an identity premium.

Internationally, Wales has not generally been well understood and its image has not always been positive. However, there is increasing evidence that people are looking for greater authenticity and individuality. Wales offers many unique characteristics, not least its diverse geography in a relatively small area, and its cultural distinctiveness.

Supporting economic renewal through our existing activities:

We are already improving the conditions for economic development through a range of interventions, including:

The Historic Environment Strategic Statement prioritises action to conserve and protect the historic environment from threats such as insensitive development and climate change impacts but also to maximise its potential contribution to regeneration and sustainable development.

We continue to invest in our Regeneration Areas in partnership with local stakeholders to deliver improved quality of life and quality of space for our most deprived communities and stimulate investment and economic activity.

We promote the Welsh language by encouraging and supporting its use in all aspects of life in Wales.

Government support for sport and physical activity is channelled via the Sports Council for Wales, with a view to both widening participation in sport and physical activity and promoting the achievement of sporting excellence nationally and internationally

COMMENTS -

Powys Fadog's tourism product is two fold :

a) Welsh cultural/heritage - Guided historical and environmental tours, combined with on site cultural activities and events with elementary short courses in the Welsh language.

Partnerships (including the International Eisteddfod pavilion, local farms, local historical groups, local artists, other attractions, hotels and pubs etc.) are in place to present "Real Wales" to an international market.

All activities centre around local people and history, businesses and groups. Local knowledge being the unique proposition. Emphasis on Welsh history, language, distinctive culture, environment and especially local people as Wales greatest asset.

b) World class martial arts centre, providing residential courses with world renowned instructor. Marketed as Shaolin Temple Cymru, the iconic "brand" is synonymous with quality, and eliteness world wide. Also with ability to hold internationally significant seminars and conferences and to source international names to the centre.

Also the centre will be an international centre of excellence, recognized and promoted by the World Martial Arts Council, to over half a million members in 39 countries, as well as being head quarters of the Councils National executive for Wales.

This status enables Wales to bid to host international tournaments such as the World Martial arts Games. Although the Martial arts is more easily associated with China and the far east, all activities, courses and events will promote the "Welsh experience".

Powys Fadog has an international profile as a Welsh cultural/ heritage offer having featured in the American press, and by contributing to Ameri - Cymru publications as well as in Nannau, the American/ Welsh Association newspaper.

Strong relationships have been established independently with several large organisations in America, Patagonia, Australia and China in regards cultural exchange.

The Martial arts school has international recognition, which includes certification from the World Martial Arts Council, and Shaolin Temple.

Articles about the school have appeared in The New York times, Shanghai Times, Kung Fu magazine(USA),as well being reported on CCTV channel 9 (Chinese TV station) as well as Sky Sports, BBC, S4C .

Also articles on Shaolin Temple official website and the BBC hosting a page dedicated to the setting up of the school.

The whole concept of the project has and is still generating huge interest from national media, with television, magazine articles and newspaper articles an ongoing thing.

Representatives from Powys Fadog have met with and are supported by, Government officials and Ministers internationally including the Thai Minister for Heritage, M Krin, the Deputy Minister for Sport Mr Montri, and will shortly be visited by Mr Ying Wu Pan, of the Deputy peoples congress of China.

**Further the ERP and paper states that it seeks :**

Improving the health of the working age population.

Businesses can benefit from a healthy workforce. Research shows that investing in the health and wellbeing of staff can produce financial returns on the investment.

**COMMENTS -**

Wales has been given the cultural gift of Shaolin Arts. The central theme of these arts is the promotion of healthy lifestyle, preventative and remedial exercise and therapies. It includes physical, mental and emotional well being. Powys Fadog have a proven specially designed version of these world renowned practises specifically designed for the people of Wales, their lifestyle and culture.

Its effectiveness has already been proven over thousands of years in China and for over twenty years in North Wales, through the activities and courses that the Chen Loong school has provided to all sections of the community. Many testimonials have been provided to WAG from individuals and organizations. Corporate courses will be provided as well as programmes for schools, and health organizations, care homes etc.

Also one of Powys Fadog's core aims is to establish a culture of healthy living awareness in N.Wales, through various programmes, including through it's on site courses and programmes, Local Schools personal development programme and



working with partners within the Denbighshire Big Plan integrated service delivery strategy.

## 2. Broadening and deepening the skills base.

Broadening and deepening our skills base is a shared responsibility for us as a Government, learning providers, employers and individuals.

For economic renewal we need to:

Develop a responsive partnership with business on skills provision that targets investment explicitly on our post recession economic requirements support young people to succeed and be ready for the world of work step up our efforts to help those who are disengaged, reducing economic inactivity and worklessness.

The foundation of any economy is its working population and education and skills at all levels are vital for economic growth and prosperity in Wales. Delivering this is a shared responsibility for us as a Government, learning providers, employers and individuals.

### **Statements under this heading talk about need for:**

A population where the vast majority of individuals are committed lifelong learners, willing to extend their knowledge and skills to the benefit of their current employer and to maximise their opportunities for future employment.

Support systems which provide simple, easily-accessed advice and guidance on learning opportunities, employment opportunities, financial support and childcare.

Taking a new direction for economic renewal:

We believe our commitment to developing skills is central to making Wales a highly attractive place to live, invest, employ and grow. We are committed to substantive progress on the following seven core outcomes:

1. A genuine partnership with employers on workforce skills at all levels
2. Young people motivated and ready for the world of work
3. Funding that follows priorities and policy commitments
4. High quality Apprenticeships
5. Skills that open up rewarding routes into work
6. A provider network that delivers choice, innovation and excellence
7. Young people motivated and ready for the world of work

For sustained economic renewal we need an education and training system that supports young people to succeed and be ready for the world of work. We believe that schools, colleges and universities must develop in young people the right attitudes and skills for the workplace, irrespective of the learning pathways they have chosen. This includes not only a commitment to ensure the basics of literacy and numeracy are in place, but the development of wider skills such as entrepreneurialism and the understanding of personal social responsibility. Our actions will be underpinned by our ongoing commitment to widening choice and enhancing learner support through 14-19 Learning Pathways.

### **Funding that follows priorities and policy commitments**

Since everyone benefits from skills –learners, employers, the nation as a whole – this must be reflected in the contributions to the cost of learning. There is sound evidence of a pay back through higher wages or greater productivity to most investment in skills by individuals and employers.

We will support and develop the childcare sector to take forward action with our partners to improve the accessibility, affordability and quality of childcare. This will be an integral part of our approach to supporting families and also a key part of the delivery of our Child Poverty Strategy for Wales.

### Helping children onto the right track from an early age

For long-term and enduring economic success Wales needs to help get people on the right track from early on. Addressing poverty and inequality amongst children is vital for a fair society, because social background is a strong predictor of educational attainment and life chances. We need to make sure that children get the best possible start in life, breaking the link between social class and achievement.

We are already supporting disadvantaged families and young children through our Flying Start scheme and we are looking at how we can improve the accessibility, affordability and quality of childcare. These developments are supporting work on the new Child Poverty Strategy for Wales.

### **Workforce skills**

Wales' changing demography means that fewer young people will be entering the workforce, making it ever more important to improve the existing stock of adult skills. Investment in adult learning, particularly training in the workplace, will be vital in maintaining and enhancing our competitiveness.

### COMMENTS -

Training for business and employment is central to Powys Fadog's community objectives. It is recognized that tourism is the dominant economic driver in Llangollen.

However locals find it extremely difficult to engage and capitalise outside of seasonal minimum wage jobs. PF will provide training in all aspects of sustainable Tourism and the hospitality industry.

There will be accredited courses provided in the adventure/activity tourism sector, catering, Hotel management, all aspects of Business management. These courses will be supported by Business start up advice and support and most importantly practical and accessible help.

PF will continue to work with various partners, including Schools, Wales Cooperative, Groundwork, Wreccsam and Flintshire, AVOW, Safety and Training solutions, Menter Mon, North Wales Regional Equality network etc.

Also, childcare facilities will be provided and the service itself will serve as a way into training for the childcare sector.

Further the personal development programmes offered by PF have built in motivational and aspiration building elements, promoting confidence, equality and community/social awareness which are the foundations for developing further skills for employment and business.

These courses will be supported by training for employment, business and lifelong learning opportunities.

A culture of forward thinking and shared social responsibility will be developed alongside an atmosphere conducive to innovation through providing the correct social and community conditions as well as the resources and providing a genuine reasonable expectation that innovative ideas will be able to be developed.

There will especially be an emphasis on promoting self employment and business start up, amongst people traditionally excluded from such opportunities.

The catchment area of Powys Fadog takes in 3 communities first areas.

### 3. Encouraging innovation .

Research and development play an important role in stimulating innovation, and innovation is a key driver of economic growth and long-term wellbeing. Wales must move towards a more R&D intensive and knowledge-based economy where the right conditions exist for innovation to flourish.

The Cabinet has recognised the need for a more focused approach to research and development and the commercialisation of knowledge in Wales. In response four R&D priority areas have been identified where Welsh universities have the best opportunity to maximise their research performance and economic impact:

Digital economy (ICT)

Low carbon economy (including climate change mitigation and adaptation)

Health and biosciences

Advanced engineering and manufacturing

#### COMMENTS -

Powys Fadog as well as providing a hub that is conducive to innovation and entrepreneurship and can be used as a model of delivering innovation also delivers on the more prescriptive descriptions of innovation as described in the ERP. Specifically within the knowledge based economy.

Powys Fadog have in principle agreement with [REDACTED] University to deliver modules of Sports Science courses and to provide consultation on the development of the courses including the Degree level.

This provides the opportunity for students to obtain degree qualification with the emphasis on modules being done on line with experiential modules being provided on site (River Lodge). This delivers an affordable means of obtaining a university Degree. In our appointment as consultant to [REDACTED] University we will be looking at developing similar courses and also talks have been initiated with [REDACTED] University to extend the opportunities to Welsh Universities.

#### 4. Targeting the business support we offer

We need to concentrate our resources where we can add the most value, acting as an enabler for the economy as a whole rather than a significant direct deliverer of services to individual businesses. We will develop a sector-based, strategic approach to business support, developing our role as an expert facilitator and enabler. Realising this vision requires a whole- Government approach.

The Department for the Economy & Transport (DE&T) will increasingly promote economic development through its interactions with Departments and the wider public sector.

We will launch a revised Youth Entrepreneurship Strategy for Wales (YES): An Action Plan (2010-2015) in autumn 2010. Alongside enterprise education at secondary and tertiary level, YES will aim to inspire the next generation of business leaders. The Action Plan will outline measures for the main audiences: young people, education, business and the community. It will include BIG IDEAS – a new campaign for young people thinking about starting up in business with a strong online focus. Self-employment is an important route out of economic inactivity and we will place a priority on self-employment to address problems of participation in the economy.

#### **Start-ups and business information**

In addition to our sector approach, we believe that there are specific areas where the rationale for intervention is strong enough for DE&T to intervene. There remains a role for Government in encouraging entrepreneurship – it is vital for developing a strong economy and therefore crucial for our future prosperity.

We need to create a greater awareness of the opportunities and benefits of entrepreneurship in order to encourage more people to start businesses, as well as assisting established entrepreneurs.

We want to retain and attract skilled individuals with entrepreneurial spirit and the ambition to succeed to create a modern and dynamic nation.

We will refocus our start up service to support self-employment especially to address problems of participation and increase our focus on high potential start-ups.

#### COMMENTS -

Clearly there is a strong case to be made that as a start up PF is of high potential in it's own right, given the explicit statements above, in terms of outcomes regarding policy delivery and also in terms of the amount and type of investment (i.e. The investment is in a WAG owned building.) being sought.

Further the project will deliver other businesses, with varying degrees of independence from Powys Fadog. As stated earlier, strong emphasis will be on business start up support and advice.

This support will be comprehensive and include promotion of self employment/business start up as advantageous and most importantly as a genuine option. Also training in all relevant aspects of business management as well as skills training which can lead to self employment.

**Previously DE&T has sought to provide some intervention across a wider range of the sectors. However, going forward it will:**

focus its support on work with six sectors where, with better targeted intervention, Wales can gain competitive advantage and benefit from growing markets:

ICT

Energy and environment

Advanced materials and manufacturing

Creative industries

Life sciences

Financial and professional services.

#### COMMENTS –

Powys Fadog is strongly connected with and well placed within the Life sciences sector. Particularly Powys Fadog is and will continue to be innovative in this field.

Many years research ,experience and collaboration, from many individuals and organisations, as well as exhaustive research in the fields of human development, community sustainability, community life as an economic driver, historic development of Welsh community life etc.

This has culminated in the whole concept of Powys Fadog ,as a 21st century model for promoting a high quality environmentally and economically sustainable community development strategy which through it's holistic approach is inclusive and adaptable to prevailing conditions.

Aside from these main sectors, under the heading of targeting support are, Tourism and Social Enterprise. It states that:

## **Tourism**

We focus on marketing Wales as a visitor destination in the rest of the UK and internationally, developing tourist infrastructure and on grading and supporting hospitality businesses – both to provide information to visitors and to raise standards. For economic renewal, we will move investment funding for tourism from the former Single Investment Fund to be under direct management of our tourism team. The principles described in this document will be applied to future use of these funds, with an increased emphasis on supporting tourism infrastructure and improving environmental performance of the sector.

### COMMENTS -

Powys Fadog's tourism strategy has been explained under Making Wales an attractive place to do business.

However it should be noted that the latest Tourism strategy as set out by the Department of culture and heritage reflects very closely the concepts put forward by Powys Fadog to WAG some 5 years ago.

## **Social Enterprise**

We recognise the positive contribution vibrant social enterprises make to a strong, diverse and sustainable economy. Social enterprises are becoming more, not less relevant in the modern economy – in providing solutions for new and citizen focused methods of delivering public services; in empowering local people and regenerating communities; and in delivering economic, social and environmental objectives. The Social Enterprise Action Plan (2009) sets out our vision of dynamic and sustainable social enterprises strengthening an inclusive and growing economy.

### COMMENTS -

Again Powys Fadog has been acclaimed as a model of how Social Enterprise should be delivered from many bodies from organizations within the Public sector and the Third sector.

## **Further in the introduction it under the heading Working efficiently and effectively:**

In our approach to economic renewal, we will work more effectively and efficiently. It will be underpinned by the following principles:

Clarity – we will explain why we are intervening and how

Adding value – we will identify which activities are likely to benefit most from government support

Simplicity – we will make it as straightforward as possible to work with us

Efficiency – we will obtain value for money (in its widest sense) to ensure we get the most for our investment

Partnership – we will develop a greater and shared understanding of our role, others' roles and engage early in determining policy

Regional and local distinctiveness – we will work with local authorities and other partners in the regions to address their specific needs within our national priorities

Sustainable development – our policies and programmes will be underpinned by our central organising principle

Equality – we will ensure that the way we implement our policies is based on an understanding of how any particular group(s) within society might be unfairly disadvantaged or affected.

COMMENTS -

Powys Fadog is extremely happy to be aware of this commitment made by WAG and notes its explicit content.

**From:** Hall, Gareth (DE&T - Director)  
**Sent:** 24 February 2010 15:38  
**To:** Adshead, John (DE&T - Ops North)  
**Cc:** [REDACTED] (DE&T [REDACTED])  
**Subject:** RE: River Lodge Llangollen

As you are aware Sharon has asked Chris Munday to prepare a report on this case, an exercise in which you have cooperated fully.

Once the conclusions are to hand I will get back to you straight away.

Gareth

[REDACTED]

**From:** Adshead, John (DE&T - Ops North)  
**Sent:** 23 February 2010 16:59  
**To:** Hall, Gareth (DE&T - Director)  
**Subject:** River Lodge Llangollen

Dear Gareth

In write to you in my capacity as Head of Infrastructure North and the continuing delays in approving the SF for River Lodge which is presenting operational difficulties for myself and the rest of the team in North.

I am concerned that my management of this process is being called into question and serious concerns are being raised in relation to the way both the acquisition of this property and subsequent negotiations to secure its disposal for community and social purposes, which are being subject to intense scrutiny. This is placing me in a difficult professional position as it would appear my judgement and behaviour are being questioned without my being able to account for my decisions

I am sorry to have to write to you directly but am anxious that I place my position on record

Kind Regards

*John Adshead*

[REDACTED]

[REDACTED]

[REDACTED]



2/10/11

[REDACTED]

Mr Wong,

During our meeting on Monday it was identified that there are just two main options available for your project at River Lodge to progress, which I summarise below:

Option 1 - Existing Agreement for Lease

As you know the key pre-condition under this option is for funding of the capital works of improvement to be secured to enable the works to be carried out. It was confirmed at the meeting that the current estimated cost is £850,000. You also identified that the only potential source of funding would be The Assembly Government. Consequently you would wish for a Grant of the full amount. The alternative approach could be a variation of the terms of the agreement to allow for the works to be carried out by the Assembly Government at its expense. Both approaches require the same level of financial support, though the latter would place responsibility for the construction management with The Assembly. If this condition is met the Powys Fadog would still need to evidence a viable business plan that demonstrates that there would be year on year funding to meet the rental commitment.

In summary this option would require further Assembly capital investment of £850k, but would produce an initial rental return of £ 27,000 p.a. and a capital receipt if the option to purchase is exercised.

Option 2 - New Lease to Clwyd Alyn to replace the existing Agreement for Lease

As per the attached e mail [REDACTED] has sought from Clwyd Alyn confirmation that our understanding of the draft heads is correct. It would also be of assistance if Clwyd Alyn are able to provide comments or clarify some of the issues raised by Adrian. From our discussion I have concluded that for this option to be deliverable Clwyd Alyn would require capital funding from Assembly Government totalling £490,000. This funding could be in the form of Grant, Lease Premium or a combination of both. I understand that the £370,000 balance is to be funded between Clwyd Alyn (£210k) and a third party funder (£150k).

In summary this option would require a smaller amount of additional Assembly capital investment, at £490k, but would not produce any rental return and only a share of any capital receipt arising from the exercise of an option to purchase

Can you please confirm that my analysis of the two options accords with your own. Following our meeting on Monday I have received a note from [REDACTED] setting out the reasons that you consider the proposed River Lodge project aligns with the Economic Renewal: a New Direction policy document published last. If there is any further information, from either Powys Fadog or Clwyd Alyn, that you consider might assist or otherwise impact on our appraisal of the proposals can you also forward that as soon as possible.

I am able to confirm that once [REDACTED] and I have received the information and confirmations requested we will be able to complete our analysis and to submit a report to The Deputy First Minister very soon thereafter. In this way I would hope that a definitive response to the outstanding requests for financial assistance can be given without further delay.

Regards

*Chris Munday*

[REDACTED]

PoI Wong [REDACTED]

2/11/11

[REDACTED]

Dear Mr Munday,

Further to our meeting in Newtown on Monday 7th February in which we discussed the possibility of extending our current Agreement for Lease, we would like to request that this is done.

Also could you confirm your statement that it is a matter for WAG solicitors to make a decision concerning our request for extending the Financial Pre-Condition Long Stop Date of our Agreement for Lease, and that you cannot make or influence that decision? We would appreciate this information by return on receipt of this e mail.

It is our assertion that the extension of the Financial Pre-Condition Long Stop Date by an amount of time equivalent to the period in which WAG have not dealt with our second proposal with Clwyd Alyn, (therefore making it impossible to fulfil the funding conditions of the Agreement for Lease) would be the least that WAG could do.

As you will be aware, our second proposal was submitted in January 2010 and was intended to supersede the original Agreement for Lease. However this proposal, even though it was submitted to the Minister of the Department in January 2010, has been held up by WAG officials and we are still waiting for this to be drawn to a conclusion even now, over a year later.

Initially, between the end of January and March 2010, Powys Fadog were given no reason to suggest that the proposal was receiving special attention in any way, as it was WAG's own officials who had actually negotiated heads of terms with Clwyd Alyn and had even taken advice from WAG's solicitors as part of the process.

Advice from the Minister in February also confirms that the proposal needed only a detailed application by Clwyd Alyn for EIG in order to move the proposal forward. This application was in fact completed within the time limit given.

Since then we (Powys Fadog or Clwyd Alyn) have had no communication from WAG about the decision apart from being informed at various times that internal procedures had been initiated which were delaying the decision and that WAG was in no position to discuss the situation.

WAG was, and still is, unwilling or unable to explain why the decision was reliant on the outcome of these processes.

It is our understanding that the internal processes were initiated in April (3 months after our proposal was submitted) and were not completed until October 2010 (6 months later). That was over 3 months ago and still no consideration of our proposal has taken place. It seems that consideration of the said proposal only began at our meeting on the 7th February 2011. Even now when this consideration has begun, much of the detailed information originally submitted is now "not available" and can still not be fully considered!

After a comprehensive review of the situation conducted on our behalf, which included a fact finding investigation into WAGs internal procedures and external links, it was concluded amongst other things that WAG were employing "civil service delaying tactics". This meant that we were unable to progress funding applications to fulfil the Financial Pre-Condition of the Agreement for Lease because we had not been given satisfactory, basic information by WAG about our funding applications or any information about timescales. This is despite numerous vigorous efforts by Powys Fadog to engage WAG. These two areas of information are, as you know, vital for funding applications.

The minimal amount of information we have received from WAG has been very vague. On one hand WAG have given us conflicting information, but on the other hand have refused to answer queries concerning these conflicts in information, all of which has created and maintained a great deal of uncertainty therefore making it impossible to successfully apply for funding.

For these reasons we believe it reasonable and honourable that WAG replace the time for whatever reason they have run down, in respect of the Financial Pre-Condition Long Stop Date.

We ask that WAG honour their duty to act in good faith in this matter.

To this end we would invite WAG to agree to extend this date by 15 months (to 17 September 2012) by letter. This will avoid the cost of Solicitors being instructed to draft a formal Deed of Variation. No other terms of the Agreement for Lease are altered in any way.

Yours Sincerely

Pol Wong (on behalf of Powys Fadog)

07742 073 949

[Redacted signature block]

Mr Wong,

Thank you for this e mail setting out your case for an extension of the time limit contained in the Agreement for Lease.

As a first step I will seek lawyers advice in order to understand whether the existing legal agreement contains any mechanism under which this request should be considered, or whether it needs to be viewed as an amendment. However it is clear from your second paragraph that there is a misunderstanding between us, as the Assembly lawyers are advisers on matters of law and interpretation of legal agreements, whereas decisions are made by Ministers in the light of legal and other advice they receive.

I also acknowledge receipt of your separate e mail responding to my note on the outstanding issues of clarification and information. Once I have these further details from you and the legal advice on the extension of time I will be able to prepare the advice for the Deputy First Minister.

Regards

*Chris Munday*

[Redacted signature block]

[REDACTED]

[REDACTED]

[REDACTED]



Poi Wong <[REDACTED]>

2/22/11

to [REDACTED]

Thankyou very much for your timely contact.

Below I have set out our comments and observations in regard to your e mail concerning possible options to move our project forwards.

At our meeting I also told you that I would :

1. Request in writing that WAG replace the time run out regarding the Preconditional Long Stop Date.

You have acknowledged receipt of this request. I would like this matter to be treated separately and be dealt with urgently and at the earliest opportunity. Please can you indicate to us an estimate of timescale on this straightforward request.

2. Comment on your appraisal of the two options available identified by WAG.

We hope that this e mail clarifies the proposals from our view for you.

3. Provide for you new updates to the business plan.

This will be forwarded separately.

4. Provide for you a policy fit appraisal.

This will be forwarded separately.

In your e mail you say :

"During our meeting on Monday it was identified that there are just two main options available for your project at River Lodge to progress, which I summarise below:"

Comments -

It has not been identified or agreed that there are just two main options by Powys Fadog.

For over a year now Powys Fadog have sought clarification as to why the second proposal (which we maintain had been agreed with WAG) has been delayed from progressing.

At the meeting with you and also in the "independent" options appraisal conducted by [REDACTED] [REDACTED] it has been put forward that these are the only options available to progress the project. Rather WAG have not allowed open discussion about possible options. In fact we find that we are again having to clarify and supply basic information regarding this proposal to WAG. This information has already been submitted over a year ago, and it was on that information that WAG agreed Heads of Terms and instructed solicitors to act.

It is considered by Powys Fadog that the meeting with yourself and [REDACTED] has still neither explained the delays or allowed discussion concerning other options, of which we assert there are many. In particular is the option of asset transfer.

As I'm sure you are aware there is a very compelling case to be made for this option considering WAG's Social enterprise strategy 2009, supported by the Quirk Review . Of course this does have precedent in Wales with numerous asset transfers to social enterprises. In fact previous transfers have occurred at much greater overall investment by WAG than is proposed in any of the proposals in this appraisal and considerably less return in terms of outcomes. Further many of these do not provide any income back to WAG, being rent free, and are frequently substantially grant reliant.

Suffice to say for the purpose of this response that, there are many options that can be considered and we would welcome the opportunity to do so as early as possible.

In regards to your summary :

### **Option 1 - Existing Agreement for Lease**

"As you know the key pre-condition under this option is for funding of the capital works of improvement to be secured to enable the works to be carried out. It was confirmed at the meeting that the current estimated cost is £850,000.

You also identified that the only potential source of funding would be The Assembly Government. (Consequently you would wish for a grant of the full amount)".

Comments -

The amount sought to fund this option is £700,000 not £850,000. This is the amount needed for the refurbishment of the building. The remaining £150,000 is fit out and will be provided from external sources.

Powys Fadog have not " identified that the only potential source of funding would be The Assembly Government". What we have said is that WAG have made it impossible for us to obtain funding to fulfill the conditions from any other source. For this reason we have submitted a request that WAG replace the time run out by them in regards to the Long Stop Date in a separate E mail.

Also of course the EIG (£249,000) had been formally offered to Powys Fadog and it was agreed by WAG to transfer it to Clwyd Alyn as part of our second proposal which was meant to supersede this option. Without explanation WAG have seen fit to have renege on this arrangement.

"Both approaches require the same level of financial support, though the later would place responsibility for the construction management with The Assembly. If this condition is met, Powys Fadog would still need to evidence a viable business plan that demonstrates that there would be year on year funding to meet the rental commitment."

Comment -

Agree with this appraisal. However it is highly likely that if WAG undertook the construction management then the costs would escalate and the timescale of completion would be significantly extended.

Also our business plan has already been in WAG's possession for a number of years, having already been through due diligence and updated for WAG several times due to the delays. As stated at the meeting in Newtown, since the last due diligence, the financial projections have improved significantly with Powys Fadog having agreed contracts from [REDACTED], etc. (Our business plan is dealt with separately). These contracts are obviously subject to WAG's decision regarding either of the proposals.

"In summary this option would require further Assembly capital investment of £850k, but would produce an initial rental return of £27,000 p.a. and a capital receipt if the option to purchase is exercised."

Comment-

This is correct except that the option requires capital investment of £700,000 not £850,000 .

## **Option 2 - New Lease to Clwyd Alyn to replace the existing Agreement for Lease**

"As per the attached e mail [REDACTED] has sought from Clwyd Alyn confirmation that our understanding of the draft heads is correct. It would also be of assistance if Clwyd Alyn are able to provide comments or clarify some of the issues raised by [REDACTED]. From our discussion I have concluded that for this option to be deliverable Clwyd Alyn would require capital funding from Assembly Government totalling £490,000. This funding could be in the form of Grant, Lease Premium or a combination of both. I understand that the £370,000 balance is to be funded between Clwyd Alyn (£210k) and a third party funder (£150k)."

"In summary this option would require a smaller amount of additional Assembly capital investment, at £490k, but would not produce any rental return until Clwyd Alyn's commercial loan is paid off, when WAG will receive half of the net rent and only a share of any capital receipt arising from the exercise of an option to purchase."

Comments -

Agree with summary of this option. At our meeting you referred to state aid issues in relation to grant funding. In both option 1 and option 2, state aid would apply to grant funding under the property development grant scheme and that means that 25% of the total cost would need to be provided from non public sector sources.

State aid intensities are 50% of eligible cost for an SME (Powys Fadog) or, 30% for a Large

enterprise, (Clwyd Alyn). Llangollen is in a 87 (3)(a) area. Also we understand that EIG intensity is 80%.

Further it is not clear that WAG are acknowledging the fact that the total project costs over a three year period are £1.6m .This information has been given to WAG, discussed at great length and further has formed part of both proposals submitted to WAG and previous funding applications to WAG.

To clarify this point-

The £850,000 relates to phase one of the project, which is to do the work required in order to open the centre for business.

Phase two relates to environmental/sustainability improvements to the building e.g. solar panels.

Phase three relates to the outdoor training ground (eastern end) and environmental / wildlife corridor.

These later works (£750,000) will be funded by non public bodies, sponsorships, partnerships and by Powys Fadog's own resources. (Again this information, with breakdowns has been submitted and considered by WAG officials).

I hope that this clarifies the situation and is useful to you. Please do not hesitate to contact me if there is anything further you require.

Yours Sincerely

Pol Wong

[REDACTED]

From: **Munday, Christopher (DE&T- EDG - SE & Infrastructure)** [REDACTED]  
Date: Mon, Feb 14, 2011 at 4:48 PM  
Subject: RE: Request for reimbursement of long stop date  
To: Pol Wong <[pol.wong@powys.gov.uk](mailto:pol.wong@powys.gov.uk)> [REDACTED]

Mr Wong,

Thank you for this e mail setting out your case for an extension of the time limit contained in the Agreement for Lease.

As a first step I will seek lawyers advice in order to understand whether the existing legal agreement contains any mechanism under which this request should be considered, or whether it needs to be viewed as an amendment. However it is clear from your second paragraph that there is a misunderstanding between us, as the Assembly lawyers are advisers on matters of law and interpretation of legal agreements, whereas decisions are made by Ministers in the light of legal and other advice they receive.

I also acknowledge receipt of your separate e mail responding to my note on the outstanding issues of clarification and information. Once I have these further details from you and the legal advice on the extension of time I will be able to prepare the advice for the Deputy First Minister.

Regards

[Redacted]

[Redacted]

[Redacted]



Pol Wong <[Redacted]>

[Redacted]

[Redacted]

Annwyl Mr Munday.

Please find attached a Policy fit appraisal for your attention. Outlined are appraisals within 2 rafts of WAG policy including ERP and One Wales. As you will be aware, there are many other policy areas within WAG that can be applied to Powys Fadog's proposals.

These have been acknowledged by WAG during the last few years at various stages, particularly as contained in our business plan, which has been in WAG's possession for some 5 years now. Therefore it has not been deemed necessary to include them again here.

Our appraisal regarding One Wales is very concise. This is because again, it is covered in our business plan and also because the fit is so obvious.

Also please see attached additions to our business plan.

We trust now that our proposal will finally be treated with due consideration of the many years that WAG has delayed the project (without explanation) to Powys Fadog's detriment and treat our organisation with the respect and fairness that has been lacking in the past. (As per the civil service Code of Practice, and also in the ERP commitment headed 'Working efficiently and effectively').



Provided are a number of short notes which we think should also be considered.

When the project was first proposed to WAG in 2005, Wales would have been the first and only such school in the World outside China. Since 2008 there are now two schools offering this product in the U.S. Fortunately, across the world there are still very few who are qualified or sanctioned with the Shaolin brand and its marketability continues to grow internationally.

Powys Fadog will also run residential Welsh language courses through activities, with the emphasis on conversational Welsh and on promotion of use of Welsh locally. This will be the only community facility in the N.E. of Wales where Welsh language is the norm.

The Powys Fadog concept is a model of innovation and entrepreneurship. It seeks to make use of acknowledged good practice from different cultures and from historical frameworks, whilst making them relevant to the prevailing conditions presently here in N.Wales and having flexibility which allows adaptability to changing conditions. It integrates an economic development strategy with community regeneration in a holistic and sustainable way; It promotes indigenous enterprise. It also provides opportunities for qualifications; training; employment; self employment and access to good health and cultural activities to sections of the population who have not had access to any of these before.

Within the concept of Powys Fadog are many of the strategic priorities and policies more recently put forward by WAG; E.g ERP and One Wales, WAG's tourism strategy and Dept of Culture and Heritage.

The establishing of the school of Kung Fu is innovative as a driver for 21st century preventative and remedial health practice. It is well recognised within the ERP itself and latest strategies that preventative medicine is increasingly important both in terms quality of life and also in terms of cost to the government.

Shaolin arts have provided a culture of healthy living which has shown a huge difference in the standards of health of countries whose culture takes in these practices compared to those without these cultural aspects. Further these practices have world wide respect as does the name Shaolin Temple, which is revered and synonymous with excellence and is also recognised as a 'global cultural treasure' with the site in China having been awarded World heritage status.

Regretfully it must be noted that thus far WAG seem totally ignorant of the international stature of Shaolin Temple's reputation or the reverence towards its practices, and further seem oblivious to the historical significance, or the level of international interest in this project.

Some years ago a distinguished Master from the Temple came to Wales specifically to help to formulate a curriculum of authentic Shaolin practices for the people of North Wales. A task that kept him from the Temple for 6 months. Previously, special permission was given to Pol Wong to teach authentic Shaolin arts in Wales "for the benefit of the community". This event was the first time in Shaolin Temple's 1600 years that a foreigner had been given this honour.

As you are aware, Powys Fadog has been left in limbo for well over a year concerning this matter, still with no explanation as to why there has been delay or no explanations offered about serious issues brought up by Powys Fadog. Therefore we appeal to you to conclude this process as expediently as possible. We see no reason why, given the amount of information at WAGs disposal concerning the Powys Fadog project, that the matter cannot be concluded within 10 working days.

With these points in mind we would appreciate a timescale for concluding this matter and also request that we receive a dated copy of any recommendations put forward to the Minister.

Diolch Pol Wong (ar rhan Powys Fadog.)



**Munday, Christopher (DE&T- EDG - SE & Infrastructure)**

3/7/11

Mr Wong,

As per our discussion this morning I confirm that I am in receipt of the additional information requested both from yourself and Clwyd Alyn Housing that will enable us to undertake a comprehensive project appraisal on the funding options we discussed at our recent meeting. My aim will be to complete this project appraisal as quickly as practicable and to prepare a report for Senior Assembly Officials and for Ministers.

On the separate matter of your request for an extension of the time limit. I acknowledge receipt of your e-mail setting out your case for the extension. You will I am sure understand that as this relates to an existing Legal Agreement it has been necessary for me to seek appropriate legal advice and to make other enquiries into some of the points you raise. Again I can assure you that I am progressing this matter as quickly as possible and as soon as I am able to do so I will get back to you with the Assembly's response.

Regards,

[Redacted signature block]

[Redacted line]

On leaving the Government Secure Intranet this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

Wrth adael Mewnwyd Ddiogel y Llywodraeth nid oedd unrhyw feirws yn gysylltiedig â'r neges hon. Mae'n ddigon posibl y bydd unrhyw ohebiaeth drwy'r GSi yn cael ei logio, ei monitro a/neu ei chofnodi yn awtomatig am resymau cyfreithiol.

Pol Wong <[Redacted]>

3/7/11

to [Redacted]

Mr Munday,

Thankyou for this e mail which acknowledges receipt of the information sent to you on Feb 11 and 22. Please can you tell me which senior officials and ministers that the project appraisal will be sent to and also please could you supply me with a dated copy of the report which is sent to them.

Diolch Pol Wong.

Munday, Christopher (DE&T- EDG - SE & Infrastructure) <[Redacted]>

3/11/11

to me, [Redacted]

Dear Mr Wong,

I had a telephone conversation late yesterday evening with the Deputy First Minister's Private Office regarding progress on both your application to extend the deadline in the existing legal agreement and the appraisal of the current proposals that we have been examining with you over the last couple of weeks.

I would reassure you that both matters are being progressed urgently, with a view to reaching a conclusion as quickly as is practicable. As per our telephone call earlier this week I will be preparing reports for Senior Officials and Ministers on the two issues separately. You have asked that I provide you with copies of these reports; however advice to Ministers cannot be disclosed.

I will contact you as soon as I have a decision in these matters, but in the meantime you have my assurance that we are working on this as a matter of priority.

Yours sincerely

Regards,

*Chris Munday*

Pol Wong [REDACTED]

3/11/11

to Christopher

Annwyl Mr Munday,

Thankyou for your email today.I was not aware that advice to ministers cannot be disclosed.Would it be possible to be informed as to which ministers and senior officials that the reports will go to?

With thanks Pol Wong



[REDACTED]

3/11/11

to [REDACTED], me

Mr Wong,

I can confirm that as the Minister with responsibility for Economy and Transport my report will ultimately be submitted to The Deputy First Minister.

In order that you can better understand the role of officials and the Civil service in Wales you may find the following link to the Assembly Government website helpful

[Welsh Assembly Government | Assembly Government Civil Service](#)

Regards

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3/15/11

to Christopher

Annwyl Mr Munday,  
Thank you for your response. I am aware that ultimately your report will be submitted to the Deputy First Minister, but in your previous e mail you said that you were preparing reports for senior officials and ministers.

It was in fact these individuals that I was referring to. Therefore please could you inform me as to which senior officials and which ministers apart from the Deputy First Minister your report will go to?

Also could you update the progress of our request for a replacement of time regarding our Long Stop Date of our lease? This was submitted over a month ago now.

You will recall that we asked for this to be considered separately to the other matters. This was specifically so that more delays were avoided, through waiting for more information to be passed back and forth.

I note that you state that the matter is being dealt with separately, therefore am I correct in assuming that this matter is now being considered by the decision maker, or will it only be put before the decision maker at the same time as the other options?

I apologise once again for my bringing the matter up again to you, but of course we are extremely worried as you know that our time is being "run out" and that although WAG are fully aware of this, still seem completely happy that the project may collapse due to their constant delays.

Regards Pol Wong

Munday, Christopher ([REDACTED])  
[REDACTED]

3/16/11

to me

Mr Wong,

The report on your request for an extension of time is now being prepared. The draft will be reviewed for accuracy by [REDACTED]

[REDACTED] It is my expectation that subsequently the report will be submitted to the Deputy First Minister.

The appraisal of the options we discussed for possible funding of the capital works to the building is a little further behind, as this involves considerably more analysis. Nonetheless my colleague, [REDACTED], who is undertaking this appraisal is hoping to be able to complete his work in the next few weeks.

I will keep you informed of progress.

Regards

*Chris Munday*

3/18/11

[REDACTED]  
to me

Dear Pol,

I refer to our telephone conversation regarding your proposed visit to site at 12.00pm on Monday 21<sup>st</sup> March. I understand you will be accompanied by a number of other individuals and I write to confirm that the following arrangements have been put in place.

A representative from MPH Security will be on site to meet you and to escort your group around the site. On arrival you should make yourselves known to the guard who will register the names of the attendees. We have also arranged for the building contractor to be on site, to temporarily remove any of the boards that have been secured over doorways to facilitate access to the property. These boards will be replaced immediately following the visit.

Regards

[REDACTED]

Pol Wong <

3/22/11

to Adrian Leonard

Martin

About yesterday and our site visit with our potential funders. I was absolutely flabbergasted when our group arrived to be told by security that we were not allowed into the River Lodge especially, considering your E mail below.

This is actively preventing us from attracting funding as well as embarrassing to Powys Fadog when our funders had travelled for two hours only to be turned away. Can you explain why we were prevented from showing our funders the premises?

Also about the break in. There are some strange circumstances surrounding the actual break in and the reporting of it.

For a start the fact that the bedrooms had been entered by using keys and the fact that those keys were found by your workmen in one of the rooms. Those keys, I know to have been removed from the premises by WAG workmen some time ago. So obviously, how have they been used in this latest robbery?

Also I'm told by the Police that when the incident was reported that this was not mentioned, in fact it was reported to them that "the doors had been broken into".

After I had been informed that something was happening at River Lodge by friends on Wednesday, I went straight to the site. On arrival I spoke to the security. I asked when this break in had occurred. The reply was that, it had been reported to them by WAG on Monday morning, and that it had been reported to WAG by Pol Wong.

All these points raise basic questions.

1. Who discovered it and when? You told me that the security discovered it and reported it to you. Why did they insist that you reported it to them?
2. Why wasn't it reported to the Police before Tuesday?
3. Why wasn't I as lessee informed .Especially since my flat was ransacked ?
4. Why send workmen there before Police had inspected the scene?
5. No formal statement as to the extent of damage has been given to the Police, Why?

[REDACTED]

7. Why was the crime reported to the Police incorrectly?

8. Why wasn't the crime reported to Police until Tuesday?

Regards Pol Wong

---

Munday, Christopher (DE&T- EDG - SE & Infrastructure) [REDACTED]

3/23/11

to me, [REDACTED]

Mr Wong,

I was very concerned to learn that you were not able to gain access to the property on Monday, contrary to the advance arrangements made with my colleague [REDACTED]. On receipt of your copy e mail I requested a report of why this occurred.

[REDACTED] our security contractor, were informed of your proposed visit to site and instructed to allow you and your group access around the site and to the inside of the main building. They were also informed that you may need to show your group a couple of the typical former hotel bedrooms and the former gatehouse flat therefore we also made arrangements for a contractor to be on site to remove any of the timber boarding if required to facilitate this. MPH have today confirmed the guard on site was instructed to this effect but, regrettably, ignored that instruction from his employer. We are advised that as a consequence the on site guard has been subject to employment disciplinary proceedings as a result.

I can only apologise for the inconvenience caused to you and your visitors but clearly the guard was not acting in accordance with the instructions we gave to MPH Security. We would be happy to arrange for both the security company and the boarding contractor to be available on site on an alternative date and to this end can I suggest that you contact Martin Williams who will be pleased to make the arrangements for a re-arranged site visit.

Once again I would offer sincere apologies on behalf of myself and my colleagues.

Regards

*Chris Munday*

Chris Munday,

Pol Wong [REDACTED]

3/23/11

to Christopher

Dear Mr Munday,

Thankyou for your e mail with your explanation why we were not allowed entry to River Lodge with our funders.We will endeavour to make another appointment.

Further to your E mail on the 16th March.You inform me to whom our request for an extension of the lease will go to.Am I to understand from this that these are the only ones that this request needs to go to?In your previous e mail you mentioned Ministers.

Also please could you tell me about who the options appraisal needs as a matter of due process ,to go to and who it will go to?

Finally please could you give me an idea of where the request for extension is now?

Diolch Pol Wong



**Munday, Christopher (DE&T- EDG - SE & Infrastructure)** <[REDACTED]>  
to [REDACTED], me

3/23/11

Mr Wong,

I am in the course of finalising the draft of my report on your request for an extension. The process for consideration of this report will be as I set out in my e mail last week.

Once [REDACTED] has completed his analysis and appraisal the consequent report will be subject to a very similar review and approval process but will also need input from Finance colleagues in terms of any impact on budgets.

I trust this helps  
Regards

*Chris Munday*

From: Pol Wong [mailto:p[REDACTED]]

Sent: 23 March 2011 17:24

To: Munday, Christopher (DE&T- EDG - SE & Infrastructure)

Cc: [REDACTED]

Subject: Re: Powys Fadog report to ministers and officials.

- Hide quoted text -

Mr Munday,

Unfortunately your reply does not help because to begin with it does not answer my queries fully in as much as I asked who are the Ministers that you referred to and who the options appraisal will go to.

Also obviously as you well know there is an election looming,and our lease runs out in June.You have given your assurance that you will treat these matters with all expediency,with full knowledge of the time sensitivity involved.I am sorry to repeat myself ,however as you know our project is being under threat of failure simply due to delaying of your reports going to the Minister.

May I also remind you that our proposal with Clwyd Alyn was submitted in January 2010,and a submission already prepared at that time for the Minister.There are no changes to the circumstances that I am aware of.

Also may I point out that our request for an extension was submitted to you on February 11.You did say that you would treat this as an urgent matter ,yet over a month later not even a draft report has been completed.

I take it that what you are saying is that you will not complete any of these reports in time for them to go to





[REDACTED]  
[REDACTED]  
[REDACTED]  
Mr Munday,

Thankyou for replying so quickly.Can I assume then that the matter has been before the Minister for consideration and that a decision has been reached?

My Postal address is [REDACTED]  
[REDACTED]  
[REDACTED]

Diolch Pol Wong

Pol Wong to Christopher  
show details Apr 11

Mr Munday,

Please could you give a response to my e mail below?

Pol Wong

On Thu, Apr 7, 2011 at 4:07 PM, Pol Wong [REDACTED] wrote:  
Mr Munday,

Thankyou for replying so quickly.Can I assume then that the matter has been before the Minister for consideration and that a decision has been reached?

Munday, Christopher (DE&T- EDG - SE & Infrastructure) to me  
show details Apr 11

Mr Wong,

A paper was sent the the Deputy First Minister last Thursday, hence my expectation that a letter could be issued this week. I must however advise you that the issue covered by the paper has been considered alongside the guidance covering the pre-election period. This guidance is publicly available on the Welsh Assembly Government website at Welsh Assembly Government | Elections to the National Assembly for Wales May 2011

Consequently I regret we are at present unable to reply substantively to your request for an extension of the financial long stop. Our rules on conduct severely restrict the extent to which we can promote or outline Welsh Assembly Government policy, which includes individual cases rather than just broad policy making, during an election campaign. This is to avoid any suggestion of seeking unduly to influence the outcome of the forthcoming election.

I know that this further delay will be a disappointment but can only offer you an assurance that we will send you a full reply as soon as possible after the election.

Chris Munday

Pol Wong to Christopher, PS  
show details Apr 11  
Mr Munday,

The reply by you outlines exactly the concerns I have been outlining to you since February 11th as well as the consequences of the amount of time taken by you to consider our request.

Even so I don't see how a response to a straight forard request can take so long to consider (especially when all involved in that consideration are fully aware how time sensitive the situation is), neither do I understand how responding to this request can feasably influence the outcome of the election!

May I ask as to who has made that conclusion/recommendation and if they can explain how it could influence the election?

It seems clear that there is no intention on WAG's part to do other than run our time out of our agreement to

lease as the only means to stop this fine project. Why? Why won't anybody come clean and tell us what the problem is, rather than playing this ridiculous charade?

Pol Wong

Munday, Christopher (DE&T- EDG - SE & Infrastructure) to me  
show details Apr 11  
Mr Wong,

I understand your frustration that we have been unable to convey to you the decision in this matter. The published guidelines are however clear that during the pre-election period we should not take any high profile or sensitive decisions. Following consultation with other officials the conclusion was reached that this is a high profile project which has recently attracted media attention and as a consequence falls within the scope of the guidelines.

I can only again advise that the decision will be released as soon as practicable after the election on 5th May.

Regards

Chris Munday

Pol Wong to Christopher, PS  
show details Apr 11  
Mr Munday  
Of course you will have been well aware of this since our meeting.

[REDACTED]