

**With regard to WAG's correspondence with the Department for Business, Enterprise and Regulatory Reform (Dept for BERR), which is now known as DfBEIS, I'm keen to know what the referral consisted of i.e. what did WAG ask the Dept for BERR to do, what were the terms of reference and what was the outcome of the process?**

- In 2008, the Welsh Government referred this matter to UK Government BERR (now BEIS), given the UK Government's position as Member State government. This included provision of a forensic accounts report into the presence of State aid, and requested that the UK seek the views of the European Commission on the appropriateness of submitting a retrospective Notification for the State aid.

**For example, were any recommendations made or sanctions applied?**

- Following informal representation to the European Commission, BERR advised against formal Notification to the European Commission. This approach was then adopted by the Welsh Government.

**Were State Aid rules broken or bent with regard to Elwa and if so how?**

- The forensic accounting exercise determined that LTL had been overpaid, having been given payment in advance. The report concluded £290,578 of expenditure may be regarded as ineligible (i.e. with some certainty this money would be recoverable) & an additional £553,863 of expenditure may be considered as possibly ineligible (i.e. quite possible that this money may be recoverable, however with the caveat that since this would be for a court to decide). It is for the European Commission and, ultimately, the European Court of Justice to decide whether State Aid rules are "broken or bent" and, as the decision was taken at the time not to refer the matter to the European Commission, there is no Court ruling on this matter.

**Was a request made for State Aid or any other grant funding to be repaid and if so for how much?**

- A request for full repayment of the £4 million support provided was made

**Was any individual or public body, including WAG, ELWa – The National Council, or any partner organisation or grant recipient reprimanded in any way.**

- Disciplinary action was taken against members of ELWa staff in 2003 using ELWa's own internal procedures. ELWa merged with the Welsh Assembly Government in 2006.

**Any written correspondence or reports relating to this matter would be very helpful – I hope you can supply this.**

- The Forensic Report into the presence of State aid was made publically available following a July 2009 FoI request. In line with the Welsh Government's retention and disposal schedule no electronic information is held against question 5 and it was not possible to locate this information within archived paper records within the time limits set in section 12 of the Freedom of Information Act.