

# The Welsh Government's purchase of Gilestone Farm

July 2025



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# The Welsh Government's purchase of Gilestone Farm

July 2025





# About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:  
[www.senedd.wales/SeneddPAPA](http://www.senedd.wales/SeneddPAPA)

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Current Committee membership:



**Committee Chair:  
Mark Isherwood MS**  
Welsh Conservatives



**Tom Giffard MS**  
Welsh Conservatives



**Mike Hedges MS**  
Welsh Labour



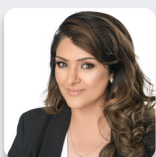
**Rhianon Passmore MS**  
Welsh Labour



**Adam Price MS**  
Plaid Cymru

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The following Members were also members of the Committee during this inquiry.



**Natasha Asghar MS**  
Welsh Conservatives



**Mabon ap Gwynfor MS**  
Plaid Cymru



**Rhys ab Owen MS**  
Independent Member

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## Chair's foreword

The Committee's scrutiny of the purchase of Gilestone Farm exposed a series of failings in the Welsh Government's approach in this specific instance and raised concerns about their approach to property and asset purchases more generally.

Whilst the Committee remains supportive of the Welsh Government's ability to make purchases, to promote economic development and to help implement policy effectively, they should reflect on the conclusions of this report to ensure the process is smoother and more effective in future.

In particular, the Welsh Government must reflect on how it engages with the public. In this instance, the local community felt disengaged and uninformed about the Welsh Government's intentions, with failings acknowledged by officials. Whilst there were improvements during the process, an honest appraisal of failings could lead to better outcomes in the future. In turn, this will allow the public to feel invested in any future proposals and ultimately be beneficial to the Welsh Government.

It's undeniable that the Welsh Government acted with avoidable haste in this instance, because of the pressure to utilise the budget at the end of the financial year. It's regrettable that there were failures in the process and the Welsh Government should reflect on its approach pre-purchase, to determine whether the processes in place are robust enough to avoid issues arising in the future.

The arrival of the ospreys on the site was unexpected and it's acknowledged that the Welsh Government has responded positively to this development to preserve their habitat, albeit there was evidence of other protected species being present at the site at the time of purchase. However, the future of the site now appears to be very uncertain, with the most recent valuation showing that the asset has decreased in value by £0.5m compared to the purchase price. This is highly regrettable.

The Committee is concerned that similar issues do not arise in future transactions and will therefore consider a future inquiry to examine the Welsh Government's approach to similar acquisitions more broadly, to see whether there are more general issues that can be addressed.

**Mark Isherwood MS,**

Chair of the Public Accounts and Public Administration Committee

## Recommendations and conclusion

**Recommendation 1.** The Welsh Government should review the arrangements around how Ministerial Advice is shared with Cabinet Secretaries and Welsh Government Directors, to ensure all senior decision-makers are presented with the information that is relevant to their portfolios. They should also review any guidance about the content of the advice, to ensure that the necessary information is provided to decision-makers.  
..... Page 36

**Recommendation 2.** The Welsh Government should review its practices around consultation and engagement more generally and report its findings to the Committee. The review should consider whether enough is being done to communicate with the public, whether the most effective methods of communication are being utilised and whether enough is done to reflect this community engagement when finalising plans or strategies.....Page 37

**Recommendation 3.** The Welsh Government should explain how it evaluates the success of their consultation and engagement more generally and what data do they collect about engagement levels and contact rates in the communities where these exercises are held, and more generally.  
.....Page 37

**Recommendation 4.** The Welsh Government’s Permanent Secretary should conduct a full review of the purchase process and reflect on the significant loss in value to the land and whether this could have been mitigated had the Welsh Government performed more rigorous due diligence ahead of the purchase. It should reflect on whether more robust due diligence could have detected the risk of this issue arising, had more thorough pre-purchase checks been undertaken. The review should set out clearly the options available to the Welsh Government to mitigate the losses to the public purse.  
.....Page 42

**Recommendation 5.** The Welsh Government should set out what pre-investment guidelines or milestones, if any, are followed before proceeding with property or land purchases, including what searches or surveys must be undertaken to determine the suitability of the land. This explanation should also set out any exceptions where these rules do not need to be followed, if applicable. .... Page 43

**Recommendation 6.** The Welsh Government should explain what guidance or rules are followed in relation to obtaining valuations on prospective



property or land purchases and what's required of Ministers and officials.  
..... Page 43

**Recommendation 7.** The Welsh Government should outline the role of the Land Division in relation to property and land purchases and explain how they work with the relevant departments to ensure the land is suitable for the purposes that are intended, and the due diligence they are expected to perform in advance of purchases. .... Page 43

**Recommendation 8.** The Welsh Government should inform the Committee of any updated valuations for the land. They should also update the Committee when decisions are made about a future use for the site, including if the process to sell the site commences. .... Page 43

**Conclusion 1.** The Committee will commission an inquiry into the Welsh Government's approach to property investments, to better understand the processes applied and to evaluate whether they are sufficiently rigorous.  
..... Page 43

# 1. Background

## Purchase

1. On 31 March 2022, the Welsh Government paid £4.25m for the freehold of Gilestone Farm, near Talybont-on-Usk in Powys, to “support the growth of the creative sector in mid Wales”<sup>1</sup>.
2. The Green Man Festival has been held annually since 2006 at the Glanusk Estate in Crickhowell, Powys. The site is approximately six miles from Gilestone Farm and was sold out for 2024, with an estimated 25,000 attendees<sup>2</sup>.
3. There are several companies associated with Green Man, including:
  - Plantpot Limited (company registration number 08079792, incorporated May 2012);
  - Green Man Trust Limited (company registration number 08365361, incorporated January 2013);
  - CwningarLtd (company registration number 13932463, incorporated February 2022).
4. Fiona Stewart is a director of these companies and operates the Green Man Festival. At the time of the purchase, she served as the Chair of the Mid Wales Economic Strategy Group, which contributed to the work of the Mid Wales Growth Partnership.
5. When asked about the Welsh Government's plans for the site at a Plenary session on 18 May 2022, the then Minister for Economy told the Senedd:

*“We are in discussion with the owners of the Green Man Festival about their potential leasing of the site, to give a greater level of certainty for them to invest in the festival, which, as the Member will know, is supported across a range of different sectors”<sup>3</sup>.*

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<sup>1</sup> Welsh Government, [Guidance – Gilestone Farm](#)

<sup>2</sup> BBC News, [Thousands to attend sold-out Green Man festival](#), 14 August 2024

<sup>3</sup> RoP, [Plenary](#), 18 May 2022, p156

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**6.** The Minister explained that they were awaiting a business plan from the festival's owners, before proceeding with any future agreement. He went on to explain that they would explore whether a short-term lease to manage the property was required for a period of time<sup>4</sup>.

**7.** On 26 May 2022, the Minister answered a series of written questions about the purchase, summarising the motivation behind the purchase, the price paid and the valuation arrangements, and commenting on the initial short-term lease back arrangement with the previous owner<sup>5</sup>.

## **Welsh Government evidence and rationale for purchase**

### **Welsh Government written evidence**

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**8.** Ahead of an oral evidence session on 14 July 2022, the Welsh Government submitted an evidence paper outlining their rationale for the purchase<sup>6</sup>.

**9.** This confirmed that Green Man had submitted an outline business plan to the Welsh Government on 1 October 2021, setting out the company's "ambitions for a sustainable future", with additional detail on what they would need from a future site. Their stated ambitions included:

- Securing their future in Wales;
- Extend their community engagement activities and create jobs;
- Support their ethical business objectives; and
- Provide new tourism experiences and grow their wellness business.

**10.** Green Man informed the Welsh Government that a suitable "agricultural holding" was potentially available in February 2022, but they didn't have the resources to fund the acquisition. This prompted the Welsh Government to purchase the Farm. The written evidence presented the "strategic context" around the sale:

- Economic development – they note the popularity of the Green Man festival and its importance to the local economy, "generating an annual £10.37 million (equivalent of 185 jobs)". They note the importance of supporting the creative sector in Wales by providing

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<sup>4</sup> RoP, Plenary, 18 May 2022, p156

<sup>5</sup> Written Question WQ8514, Senedd, 16 May 2022

<sup>6</sup> Welsh Government, Evidence Paper – Gilestone Farm

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support “both direct to business and to activities that contribute to the development of a nurturing and supportive environment for the creative sector”.

- Culture and Events – it describes the site's end-use as an “events and tourism destination”, which they state is in keeping with the aim of their Programme for Government to support the “tourism, sports and arts industries recover from the pandemic”. It notes that Green Man must align with the ambitions of their Major Events Strategy, which includes a need for events to be “authentic” and have a “distinct ‘Welshness’ regardless of size, scale or location”.
- Agriculture – it notes that the business plan commits to the project having “the environment at its core”, with the plan indicating that the development could support the Welsh Government’s Sustainable Land Management objectives.
- Well-being of Future Generations Act – they contend that the proposals align closely with the principles of the Act, particularly the goal of “a Wales of vibrant culture and thriving Welsh language”.

**11.** The written evidence confirms that Fiona Stewart, whose corporate business is registered as Plant Pot Limited, has established Cwningar Ltd to facilitate the development.

**12.** The property comprises a farmhouse and farm buildings within 241 acres of land. At the time of the purchase, the majority of the site was used for agricultural use. The evidence goes on to say:

*“The farmhouse itself along with the four lodges and three tents are used for self-catering holiday lets. The remaining farm buildings on the site are used by small local traders including carpenters, electricians, a landscape gardener, a tree surgeon and a market gardener.*

*The farm also hosts a small number of weddings over the year and has recently hosted a running event and a small camping event for a local school”.*

**13.** It notes that a valuation of the site was conducted by Knight Frank, who valued the land at £4.35m, £100k more than the purchase price (this was

subsequently revised to £4.325m in oral evidence<sup>7</sup>). It confirmed that the previous owner had leased the property back from the Welsh Government “at a peppercorn rent in order to maintain and manage the property, harvest existing crops and honour existing bookings”. It goes on to say:

*“The Lessee is also required to appropriately yield up the property at the end of the term and to ensure that all necessary Tenancies at Will are in place. The peppercorn rent has been independently certified as reflecting value for money in these circumstances. Officials are working on management arrangements for the farm and the wider property from end of October without prejudice to the outcome of the ongoing discussions with Green Man”.*

**14.** On the decision to proceed with the acquisition, the evidence notes (without further elaboration) that:

*“... advice was put to Ministers in accordance with the process and guidance followed by WG for the proposed acquisition of any property”.*

**15.** It confirms that a full business plan was submitted by Fiona Stewart and CwningarLtd on 29 June 2022. It explains:

*“The aim of the plan is to provide the rationale and basis upon which the expanded activities and related business activities (food and drink and tourism) and retained agricultural uses will be financed, operated and expanded in due course. The Plan aims to explore the aim of making the event the first carbon neutral event in the UK and with a focus on decarbonisation and encouraging the use of tree planting in association with the National Forest. Green Man have provided assurances that the land would continue to be farmed and information on these plans has been included in the full business plan”.*

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<sup>7</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p9



**16.** They describe the business plan as being commercially sensitive, and:

*"... currently undergoing full due diligence and assessment by WG officials in line with normal practice and will include an assessment of the agricultural future of the property. Only after this process, which will involve appropriate consultation with relevant interested parties, has concluded and advice put to Ministers can a decision be made on whether Gilestone Farm, now a WG-owned property, is a suitable asset to support the aims and ambitions set out in the plan".*

**17.** They note that any leasing or purchasing transaction with Cwningar Ltd would "be in accordance with the guiding principles set out in Managing Welsh Public Money, our own governance processes and our Corporate Asset Management Strategy". They note that if the business plan does not meet the Welsh Government's requirement or if Cwningar Ltd doesn't enter into a lease or purchase of the property, the Welsh Government will "be able to market the property for either sale or letting in the open market", explaining:

*"In the event of any sale by WG, it will be able to recover the market value at that time. On the basis of the current valuation WG's initial investment in the site would be substantially recovered (after accounting for purchase, holding and disposal costs)".*

### **Welsh Government evidence session**

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**18.** During an oral evidence session on 14 July 2022, the Director General for the Economy, Treasury, Constitution Group ("the Director General") told the Committee:

*"Welsh Government has a range of powers at its disposal to deliver on the programme for government, which includes property purchases, and we've taken that option here to work with Green Man, potentially, subject to detailed business plan approval, on a programme that will effectively help keep Green Man as a brand and as a festival construct in Wales, and allow it to grow and develop. And that's why we have entered into the purchase of Gilestone Farm. We've been engaged in detailed discussions with Green Man since about 2019 on questions*

*surrounding properties for a base for the Green Man brand. That's not the same as the festival itself, but for the company and associated activities"*<sup>8</sup>.

**19.** It was confirmed that the Welsh Government had been working with Green Man since the initial discussions in 2019 to source a site<sup>9</sup>, which included evaluating existing Welsh Government properties to determine if an existing site may be suitable. When there wasn't a suitable site available, an agent was hired to find a site, however, they were unsuccessful. The emergence of Gilestone Farm for sale meant that for the first time a suitable site was identified. The Welsh Government were informed of the Farm's availability by Green Man. When asked why the site was desirable, the Director General explained:

*"... there is something about the location, the character of the property, current uses, proximity to the main festival site and so on, which was also set out in principle in the outline business plan, which meant that, when the possibility of Gilestone Farm came up as a purchase option, that ticked many of the boxes, if not all of them, in the outline business plan. And that's why we moved at pace, working with Green Man, and then with the vendor, to try and secure the property, so that there was the option going forward for Green Man to put forward a detailed business case, which they've now done, for how they might use the site"*<sup>10</sup>.

**20.** When asked if consideration had been given to any limitations posed at the site, including any environmental or ecological concerns (which are considered in more detail later in this report), or local objections, the Director General explained that there several elements of due diligence performed in transactions such as this. He explained that there were three levels of checks performed to determine a site's suitability, noting:

*"... the starting position is: is this a property that meets the spec set out in the outline business case and does it credibly have the possibility of delivering against them as we move forward? So, that's the primary set of checks—tier 1. And our conclusion was*

<sup>8</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p12

<sup>9</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p15

<sup>10</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p28

*that, yes, it did in principle, and that it definitely met the spec as set out in the outline business plan”<sup>11</sup>.*

**21.** He went on to say:

*“The second tier of checks comes in the form of the extensive due diligence process that we’re now embarked upon in relation to the full business plan. That will then start to test some of these issues, including in respect of environmental regulation, what’s likely to be possible in headline terms around transport, what are the constraints potentially in respect of flood risks... and engaging with the community on key aspects of what is proposed, because, as you say, that’s an important part of this. And that will then form a decision judgment on whether we proceed with signing off the business plan and entering into an agreement with Green Man or we don’t...”<sup>12</sup>.*

**22.** Finally, there would be a third level of checks and issues to address, including negotiating an appropriate lease and make any necessary planning applications<sup>13</sup>.

**23.** Responding to concerns about a lack of community engagement, the Director General noted that more detail consultation would follow during the second tier of checks<sup>14</sup>. He confirmed that the Welsh Government had been in touch with the local authority and other parties.

**24.** The Director General reaffirmed that there was no intention for the main festival to move to the site, but rather the development related to the wider business activities at Green Man. He explained:

*“This is about the wider business... and a set of ancillary activities that will include sustainable development work. It will include, I think, farming activities, based on the outline discussions we’ve had with them and some of the emerging detail from the business plan, the detailed business plan, and a range of other things that will allow them to keep the operation in Wales. Because Green Man have been subject to lots of proposed*

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<sup>11</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p30

<sup>12</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p31

<sup>13</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p32

<sup>14</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p36

*buyouts by multinational firms interested in the brand and in the business as a whole, and we're trying to keep it in Wales”<sup>15</sup>.*

**25.** The Director General confirmed that financial support had previously been provided to Green Man, explaining:

*“... between 2010 and around 2019-20—so in the decade running up to the pandemic—we had provided funding for a range of activities and programmes and sponsorship, amounting to about £1 million in total. And then, during the pandemic, Green Man was awarded something just over the £0.5 million mark as part of the recovery fund associated with pandemic support”<sup>16</sup>.*

**26.** When asked if there was a further intention to invest in Green Man or CwningarLtd to facilitate the work to be done at Gilestone Farm, the Director General explained:

*“I don't know at this stage, and I don't think colleagues will have anything different to say on that front. This is all part of the process that we've now entered into in developing our due diligence work around the business case and pushing down through the detail that has been provided in an iterative process with Green Man. That will, apart from anything else, drive out whether there is going to be a need for further funding and, if so, whether that stacks up in terms of meeting our policy delivery objectives. Any grant funding has to operate through mechanisms that are established and clear...”<sup>17</sup>.*

**27.** When asked what the options would have been presented to Ministers in this instance we heard these would have included:

*“... the Welsh Government acquiring the site; acquiring an alternative property; grant support; loan support; the local authority, potentially, acquiring the site—there would have been*

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<sup>15</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p55

<sup>16</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p19

<sup>17</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p134

*a number of options that we looked at that were set out and run through prior to providing a recommendation to the Minister”<sup>18</sup>.*

## Follow-up

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**28.** The Committee wrote to the Welsh Government on 8 August 2022<sup>19</sup>, to seek further information about the purchase, the economic benefits associated with the Green Man Festival and other ancillary details raised by third parties with the Committee.

**29.** In their response<sup>20</sup>, the Welsh Government:

- Confirmed that between 2010 and 2019, Green Man and its associated companies received financial support totalling £921,000 from the Welsh Government.
- Provided illustrative information about UK government support for other festivals.
- Confirmed that evidence cited about economic benefits from the existing Green Man festival was from a report commissioned by Green Man and that it did not intend to scrutinise it further. However, it committed to robust due diligence in respect of the potential economic impact of proposed activities at Gilestone Farm and the finances of the Green Man group structure and its associated companies.
- Confirmed that while aware generally of the existence of the fishing and shooting rights held by a third party, no separate contact was made with the beneficiary of those rights as a core part of the purchasing process. Discussions with the beneficiary would take place as needed.
- Confirmed that the potential availability of Gilestone Farm came to light in early 2022, after Green Man appointed an external agent to search for suitable sites.

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<sup>18</sup> RoP, Public Accounts and Public Administration Committee, 14 July 2022, p167

<sup>19</sup> Letter from the Chair of the Public Accounts and Public Administration Committee to the Welsh Government's Director General for Economy, Treasury and Constitution Group, 8 August 2022

<sup>20</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 26 September 2022

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- Clarified issues relating to particulars that had been sent to one individual and their agent about Gilestone Farm in early 2020.
- Stated that further robust due diligence was being undertaken in relation to the full Green Man business plan, to include an assessment of any potential constraints on planned activities. This would come ahead of a decision about whether to proceed to the next phase, at which point the Welsh Government planned to consult with regulatory bodies and the local community before any final decision. In the event of not proceeding, the Welsh Government confirmed that further options would be considered, including placing the property on the open market.

**30.** As noted previously, between the purchase date and 31 October 2022, the Welsh Government leased the Farm to the vendor on a notional “peppercorn” rent. Up to 31 October 2023, the Farm was leased back to the vendor in existing use (primarily for farming), on what was asserted to be commercial terms.

## 2. Auditor General's review

**31.** On 19 January 2023, the Auditor General wrote<sup>21</sup> to the Committee setting out findings from his examination of the Welsh Government's purchase of Gilestone Farm. The Auditor General detailed key facts leading up to the purchase and examined governance relating to the decision. The key focus of the review was whether:

- the Welsh Government had the legal powers to purchase Gilestone Farm, and exercised these powers appropriately within its policy framework;
- the decision to buy the Farm was taken properly; made within the correct administrative processes and control framework, and taken by those with the appropriate authority;
- the Welsh Government gave due consideration to all relevant information when making its decision, and excluded irrelevant information;
- the Welsh Government took appropriate steps to safeguard value for money from public funds; and
- the Welsh Government has given a proper account of its actions and the reasons for them, in response to legitimate Senedd and public scrutiny.

**32.** The review did not focus on:

*"... the merits of future uses of the site by the Welsh Government, its tenants, or any onward purchasers; particularly by companies associated with the Green Man Festival<sup>4</sup>, held on the nearby Glanusk Estate. Nor have we examined the basis on which the Welsh Government has now decided on a commercial lease agreement with the vendor through to late September 2023".*

**33.** It did however consider the extent to which the Welsh Government's "consideration of potential future uses informed its own actions in relation to the purchase".

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<sup>21</sup> Letter from Auditor General for Wales to the Chair of the Public Accounts and Public Administration Committee, 19 January 2023

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**34.** The review concluded:

**Record keeping**

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- The Welsh Government did not keep a record of matters discussed with Green Man in various meetings during its consideration of Green Man's outline business plan and leading up to the purchase of the Farm.
- That notes of those discussions would have better supported the audit trail for the Welsh Government's decision-making, particularly after Gilestone Farm was identified as a potential site.

**The pace of the purchase process and the quality of Ministerial Advice**

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- The most significant contributing factor driving the pace of the Welsh Government's decision-making for the purchase decision was the opportunity to use an in-year underspend to fund the purchase, along with the consequential requirement to complete the purchase by 31 March 2022.
- That avoidable haste driven by the financial year-end compromised the Welsh Government's ability to clearly articulate and fully consider as part of its decision-making process the underlying rationale for purchasing the site, linked to Green Man's intentions for it.
- There were issues relating to the content of Ministerial Advice supporting the purchase decision. For example, the Advice could have made clearer exactly why the contents of the advice were considered novel/contentious and how specific risks arising would be mitigated. It also provided limited information on potential constraints on the site's suitability for Green Man's intended uses. The Auditor General felt that the option of funding the purchase from a different capital budget with funds available for 2022-23 should have been given proper consideration.
- The Auditor General noted that there was a lack of clarity in certain statements about the purposes for which Green Man was seeking to use the site and any connection with the existing Green Man festival. In addition, the Advice referred to arrangements that might be entered into with Plant Pot Limited (the company that organises the Green Man Festival). In fact, Green Man had formed a

new company for the venture; Cwningar Ltd (incorporated on 22 February 2022), to take forward its plans for Gilestone Farm.

- The Director General for Economy, Treasury and Constitution was not copied into the Ministerial Advice about the purchase and (as confirmed in the Welsh Government's response to a Freedom of Information request) was not one of the senior officials who knew about the interest in and purchase of Gilestone Farm at the time. Although not necessarily required to have been made aware under the Welsh Government's Scheme of Delegation, where decisions are novel or contentious, as had been deemed to be the case in this instance, the Auditor General noted that it would have been prudent for the Director General to at least be kept informed.

### **Openness and transparency – decision reports and handling of Freedom of Information requests**

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- The Auditor General's letter included an Annex summarising published responses to Freedom of Information requests relating to Gilestone Farm. The letter expressed the view that there had been inconsistencies in the approaches taken in response to similar requests for information relating to the purchase of the Farm.
- The letter also noted an 8-week gap between the decision by the Minister to proceed with the purchase and publication of the Welsh Government's decision report. Officials suggested this was due to factors including wanting to manage publicity, commercial sensitivities and, more generally, competing workload priorities.

### **Costs arising from the purchase of Gilestone Farm and ongoing management**

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- At the end of November 2022, the Welsh Government had incurred direct costs related to the acquisition of £60,000 and was anticipating further costs relating to the management of the Farm of approximately £57,000. Some of these costs may be offset by letting income and profit shares generated by farming and other commercial operations at the site.
- Some related information on management costs has also been released in response to a recent Freedom of Information request. However, it is not clear whether this information provides a full account. Initially responded to in late March 2023, the Welsh

Government referenced farm management costs of £15,400 alongside costs for other surveys and risk assessments totalling around £4,000.

### **Internal communication within the Welsh Government and wider policy objectives**

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- The letter noted that the Ministerial Advice concerning the purchase had not been copied to the Minister for Rural Affairs due to what we understand was an administrative oversight, despite it being relevant to their portfolio.
- The Deputy Minister for Climate Change had stated that if the Green Man option did not proceed, the Welsh Government should consider using the property for alternative policy objectives, such as tree planting and renewable energy, prior to placing the property on the open market.



### 3. Progress updates

**35.** On 17 May 2023, the Minister for Economy issued a statement with an update on Gilestone Farm<sup>22</sup>, which said that the:

*"... proposal from Green Man for a base in the Usk Valley presented us with a sustainable, economic development opportunity in a rural area and the chance to anchor a successful brand within Wales. Our support for a sustainable rural business opportunity at Gilestone Farm specifically aligns with the goals set out in the Mid Wales Growth Deal, which was signed by both the Welsh and UK governments in 2022".*

**36.** In addition to confirming long-term discussions between Green Man and the Welsh Government, the statement noted:

- The proposal from Green Man presented a sustainable, economic development opportunity in a rural area and the chance to anchor a successful brand within Wales.
- The plans align with the goals set out in the Mid Wales Growth Deal, as well as demonstrating strong strategic alignment with the aims and objectives of the Programme for Government and the Well-being of Future Generations Act.
- Green Man's vision was to create a new sustainable rural enterprise to generate £23m for the local economy, provide at least 38 new full-time jobs and support 300 local jobs through its supply chain.
- No additional commercial activities will be permitted without the required licences and permissions being secured and the appropriate environmental assessments being undertaken.
- The Green Man festival itself would not relocate to the site and all activities (including smaller events) on the site would work in harmony with the environment, underpinning the farm's biodiversity.
- Alongside partners (including Green Man, the National Park Authority and Powys County Council), the Welsh Government will

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<sup>22</sup> Welsh Government, [Written Statement: Update on Gilestone Farm](#), 17 May 2023

continue to engage with the local community about the future of the site.

- Based on due diligence work to date, the Minister had approved site access by Green Man representatives to undertake environmental and other surveys necessary for them to apply for operating licences and permissions relating to proposed activities. The Minister had also approved the commencement of formal commercial lease negotiations with Green Man. A full and final options appraisal will then be submitted to the Minister for consideration, although no timescale was given.
- For now, the Farm remains under the management agreement with the previous owner. There has been no change of use to require any further environmental or planning assessments or considerations.

**37.** The Welsh Government also published to its website a Frequently Asked Questions ('FAQs') section, which reiterated some of the points made in the Minister's statement (these are no longer available on the website). The website did note:

*"Nearly 50% of all government business allocated to Creative Wales since April 2022 was connected to Gilestone Farm. Bannau Brycheiniog National Park Authority and Powys County Council had also received significant volumes of correspondence and enquiries".*

**38.** The FAQs also noted concerns about potential increases in traffic and pressures linked to planned small-scale events. The Welsh Government indicated that it was in the next stages of assessment and that officials would work with Powys County Council, the National Park Authority, and the Community Council to assess relevant local infrastructure needs.

**39.** Following the Written Statement and ahead of an evidence session on 5 July 2023, the Welsh Government wrote to the Committee with an update<sup>23</sup> on their plans for the site. It confirmed:

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<sup>23</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 29 June 2023

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- That access would be granted, by licence, to Green Man representatives to the site to “undertake environmental and other surveys required to secure appropriate licences and permissions for their proposal”.
- That formal lease negotiations could begin between Green Man and officials.

**40.** It confirmed the launch of a project website (which is no longer available to view), with confirmation that engagement with the local community would be coordinated through the Community Council. It confirmed that there was an ongoing Farm Business Tenancy in place. It went on to say:

*“Once the next steps outlined... have been completed, further assessment by officials will be undertaken based on the outcomes. This will include an assessment using the Five Case Business Model as well as consideration of any specific Accounting Officer issues. The output from these exercises will be reviewed by a group of independent senior officials and the Property Leadership Team (the latter will consider the detail of the property transaction only), and any subsequent advice or recommendations will be considered by lead officials and the Additional Accounting Officer, as appropriate, prior to the final submission”.*

**41.** Once this was completed, the full and final options appraisal would be presented to Ministers for a decision on the final use of the Farm.

### **Evidence session with the Director General, 5 July 2023**

**42.** The Director General for Economy, Treasury and Constitution appeared before Committee, alongside officials from the Welsh Government and Creative Wales, on 5 July to update the Committee on ongoing progress.

**43.** When asked about which company the Welsh Government was negotiating for the lease of the land, either Green Man or Cwningar Limited, the Director General explained:

*“Ordinarily, we wouldn't worry too much about the nature of different companies. Obviously, we need to understand how the companies interrelate, but all of these points can be taken care*

*of in the lease arrangements, and in the conditions set through the lease, including provisions to ensure that companies don't operate in a way which gets them out of the obligations that they have undertaken, effectively”<sup>24</sup>.*

**44.** The Director General confirmed that the project didn't meet the thresholds for consideration and challenge by the Industrial Development Advisory Board, which considers “capital developments for business, plans for improvements”. As this was a property transaction on behalf of Welsh Ministers, with no capital support for the company through direct grant support, the Welsh Government contended that it wasn't necessary to present the proposal to the Board<sup>25</sup>.

**45.** When asked why the Development Bank of Wales wasn't involved in the purchase, the Director General explained that it was down to the “nature of the proposition and the time frames we were working with”<sup>26</sup>.

**46.** When asked about the time critical nature of the purchase, the Director General confirmed that the reasons for this was both because of the risk of the asset being purchased by someone else, but also because there was money available to complete the sale during that financial year<sup>27</sup>. He explained:

*“... the asset became, or looked like it was becoming available in a key location, and we needed to move swiftly in that regard. We had money available in the financial year in question. It doesn't mean that this wouldn't have applied if we'd moved into the next financial year; it just would have become a completely different discussion around budget prioritisation in the year ahead. And so, we took advantage of the opportunity to buy, and we moved at pace in the certain knowledge that we had the money available”.*

**47.** When asked to summarise the due diligence applied in evaluating the proposals, the Deputy Director of Creative Wales explained:

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<sup>24</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p63

<sup>25</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p68-82

<sup>26</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p86

<sup>27</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p89-90

*"... it's about looking at the business plan, firstly from the strategic context, and how it matches with the strategic priorities of the Welsh Government, and it's clear that this business plan delivers against the ambitions within the Well-being of Future Generations (Wales) Act 2015. I think that's core to what the business plan is trying to deliver, in a rural economy where there are struggles to develop opportunities of this nature...*

*Then, obviously, the financial element of it, we have to take into account the accounting officer principles, around propriety and all those things"<sup>28</sup>.*

**48.** He went on to tell the Committee that there had been a risk of losing Green Man from Wales, noting that there were very few independent festivals like it, with many of them sold to major international businesses, and the risk of the festival being lost from Wales if this was to occur<sup>29</sup>. Despite this, he stated that there had been no intention to hold the music festival at the site, as it was too small<sup>30</sup>, but rather the site was intended to diversify the Green Man brand, as confirmed by the Director General<sup>31</sup>.

**49.** When asked to clarify how the Welsh Government tested Green Man's economic projections for the activities on the site, the Director General explained:

*"We take the business plan and the propositions put to us by the company, the same would be the case for any other, and we assess those and we test the validity of the assumptions because... are they credible? We bring relevant expertise to bear on those points, whether it's about financial matters or whether it's about the ability to hold events, or whether you can make a business operation run effectively. All of those matters come through us. Decisions are taken ultimately on the policy proposition by Ministers, and I am accountable as the accounting officer, and that's how it works for all of these things..."<sup>32</sup>.*

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<sup>28</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p95-96

<sup>29</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p108

<sup>30</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p114

<sup>31</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p116

<sup>32</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p127



**50.** The Director General confirmed that the Welsh Government's due diligence to date, based on the above, had concluded that the benefits outlined by Green Man (which are discussed in more details later in this report) were credible<sup>33</sup>. The granting of a licence was to undertake further evaluation and dialogue with regulators, to determine whether the proposed activities would be permissible<sup>34</sup>. It was noted that applying timescales to this process would be "counter-productive"<sup>35</sup>.

**51.** The Director of Culture, Sport and Tourism went on to say:

*"There are a number of companies that work with Green Man, really well-paid jobs, high-skilled jobs in the creative industries, and they're proposing a creative hub that will be on the site there for people to co-locate to deliver excellence in the creative sector. So, we think those will be really good, high-paid jobs in the community, so it's one of the elements that's particularly attractive. I just wanted to mention that"*<sup>36</sup>.

**52.** In the Welsh Government's follow-up letter, dated 25 September 2023<sup>37</sup>, further information was provided to substantiate this statement,

**53.** When asked whether they accept that Ministerial Advice could have been clearer in "setting out the underlying rationale for the purchase, the extent of any connection with the Green Man festival, what was deemed novel/contentious, Green Man's planned company arrangements for the new venture, and potential constraints on the site's suitability", the Director General states in response:

*"Officials accept that wording could have been clearer in elements of the written advice, specifically in terms of the relationship between the expansion of the Green Man brand, the associated business and the primary festival. However, the Ministerial Advice provided six options for Ministers to consider, including the option of not progressing with the policy proposal."*

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<sup>33</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p130

<sup>34</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p131 & 133

<sup>35</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p134

<sup>36</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p137

<sup>37</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 25 September 2023

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*The M(inisterial) A(dvice) was sufficiently comprehensive and to support the ministerial decision sought”<sup>38</sup>.*

**54.** When asked whether the Advice should have considered other options for funding a purchase which didn't require completion before 31 March 2022, the response explains:

*“Given lack of year-end flexibility, it is essential that Welsh Government has projects that can be brought forward, completed at short notice, or slowed down to enable us to deliver the outturn we need given many of the factors we must deal with lie outside of our control. Certainty over budget availability is clearly core to any decision taken”.*

**55.** When asked whether more could have been done to maintain notes of virtual meetings with Green Man representatives, the Welsh Government accepted this finding stating in a letter:

*“Audit Wales found that the Welsh Government audit trail in this case would have been better supported if all the meetings had been recorded. We always seek to learn lessons from projects and programmes and accept this finding, but it does not affect the basic conclusion of Audit Wales that the procedural integrity of the decision taken on Gilestone Farm was sound”.<sup>39</sup>*

**56.** The also letter confirms that internal communication on this had been published, to remind “officials of their responsibilities regarding records management, and the guidance for officials has also been updated”<sup>40</sup>.

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<sup>38</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 25 September 2023

<sup>39</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 25 September 2023

<sup>40</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 25 September 2023

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## 4. Response

### Community engagement

**57.** In the FAQs section, the Welsh Government had emphasised a commitment to continue with its community consultation work through the Talybont-on-Usk Community Council, as the locally elected democratic body of the locality.

**58.** The Council's own website includes a section on Gilestone Farm<sup>41</sup>, which provides updates on relevant meetings with Welsh Government officials, signposts to relevant Welsh Government statements and questions in the Senedd. It also logs some concerns and questions that have been raised with the Welsh Government.

**59.** On 17 March 2023, the Welsh Government convened a meeting attended by Welsh Government officials along with elected representatives from Powys County Council, the Community Council and the National Park Authority, with minutes of the meeting published in response to a Freedom of Information request<sup>42</sup>.

**60.** Before the Minister's most recent statement, issued on 17 May 2023<sup>43</sup>, the Council's notes from a meeting on 15 May 2023 described a "general feeling of being ignored". The Community Council issued a statement on 7 June 2023 stating:

*"The TOUCC (Talybont-on-Usk Community Council) has been fully committed to gaining and distributing information regarding the purchase and development of Gilestone Farm. We have been as frustrated as everybody in the community with the speed of communication and the lack of content<sup>44</sup>".*

**61.** The statement went on to say:

*"We are now entering a vital stage of the development and are close to arranging a meeting with... the Welsh Government to allow us to build not only a communication strategy, but an*

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<sup>41</sup> Talybont-on-Usk Community Council, [Gilestone Farm](#)

<sup>42</sup> Welsh Government, [ATISN.17346](#), 27 April 2022 (incorrect date noted on the response)

<sup>43</sup> Welsh Government, [Written Statement: Update on Gilestone Farm](#), 17 May 2023

<sup>44</sup> Talybont-on-Usk Community Council, [A Statement from the Community Council](#), 7 June 2023

*engagement strategy, where we will be part of the discussion and consultation instead of being simply a conduit for portraying pre released information".*

**62.** This meeting took place on 14 June 2023, with the Community Council's website including a summary of the discussion. The summary noted:

*"... that communications had broken down and he (the Welsh Government official) and Welsh Government recognized that they had their part to play in the lack of communication and, subsequent damaging speculation which had occurred"<sup>45</sup>.*

**63.** It went on to say that a Councillor expressed:

*"... disappointment the Community Council has felt at being used as nothing more than a conduit for information which had been released in the press and that no form of consultation had taken place in respect of the development and local people had not been given the opportunity to have their say despite being those who will be directly impacted by the Gilestone Farm development".*

**64.** In the meeting, the Welsh Government committed to conduct an "official, and inclusive survey in the community to find out the public consensus of opinion", with a focus on capturing the thoughts of younger people and their families, a demographic whose views were "currently not being voiced".

**65.** When asked to reflect on this view at an evidence session on 5 July 2023, the Deputy Director of Creative Wales told the Committee:

*"I don't think they've been ignored; I think we've been in dialogue with them throughout the process. As I say, it's been a very difficult conversation, because of the churn in members of the council over that period. So, yes, I think we've been in dialogue where we can... the relationship does need to improve. I think we can hold our hands up there and say that the relationship with the community council does need to improve, but we're in the*

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<sup>45</sup> Talybont-on-Usk Community Council, Notes from the Engagement and Communications Strategy Meeting with the Welsh Government concerning Gilestone Farm, 20 June 2023

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*process of doing that now they have a new full membership in place*"<sup>46</sup>.

**66.** He went on to say that part of the difficulty was that much of the issues around the proposals had been “played out in the media as well”, with a “lot of truths and untruths in the media”<sup>47</sup>. The purpose of the 14 June 2023 meeting was to meet with the new Community Council representatives, with proposals for a community survey to follow, to be conducted by the authority<sup>48</sup>.

**67.** When asked about the public’s ability to engage directly in the decision-making process, the Deputy Director explained that this would be through the planning process, with an opportunity to share their view during the planning application processes<sup>49</sup>. When asked about a possible future open meeting, as alluded to in the meeting notes from the 14 June 2023 meeting, the Deputy Director noted that there were no proposals for one at the time of the Committee meeting<sup>50</sup>.

## Green Man

**68.** The Committee heard from the Managing Director of Green Man, Fiona Stewart, on 28 August 2023, with responses to some of the matters raised during the Committee’s session with the Director General on 5 July 2023 (which is summarised above)<sup>51</sup>. The letter states that the relationship between the Gilestone Project and the Welsh Government will “the same as any usual commercial landlord-tenant relationship”, with examples of other Welsh Government projects elsewhere that were intended to “improve the social and economic environment of the citizens in their care”.

**69.** It notes that Green Man has operated in the region for 21 years, only 5 miles from Gilestone Farm and “have a successful and productive record of working with many official agencies”.

**70.** It explains that Green Man were not in a position financially to purchase Gilestone Farm, stating:

<sup>46</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p185

<sup>47</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p189

<sup>48</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p191

<sup>49</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p195

<sup>50</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p203

<sup>51</sup> Letter from Fiona Stewart to the Chair, 28 August 2023

*"At the onset of this venture the intention was for me to purchase part of the property with the remaining purchased by the Welsh Government and leased back on a commercial tenancy until I could afford to buy the property outright. Knight Frank rural surveyors, who were acting on behalf of the Welsh Government, advised that a property division could decrease the value of the property and this was subsequently denied. I was not offered a loan arrangement; only a commercial lease was discussed".*

**71.** The letter states that Knight Frank had valued the Farm at £4.35m, £100,000 more than the Welsh Government had paid. She notes that discussions about the future of the festival had been "ongoing for many years" with the Welsh and UK Government, with a need to secure a permanent base for the festival a "logical next step" in building on the success of the festival.

**72.** The letter goes on to note:

- That no public funding has been provided to Green Man, nor has the property been gifted to them, with the property owned outright by Welsh Government.
- That the extent of the discussions was the possibility of entering into a "commercial lease agreement" with Green Man, based on the company's previous success, a visit document (a stage 1 business plans" and a "robust business plan which has been scrutinised by appropriate sectors of the Welsh Government".
- A series of meetings held with a variety of stakeholders, including the Community Council, the Usk Valley Conservation Group, local elected representatives, the National Park Authority amongst others. The letter raises concerns about a "toxic atmosphere created by objectors".
- The proposed project includes proposals to boost tourism through a green Eco-Retreat, including glamping and rental accommodation, the continuation of the working element of the farm, as well as food and beverage production on the site.

**73.** The letter explains that the then Minister for Economy had approved their business plan in principle in May 2023, with "more formal large-scale

community engagement to follow". This business plan was published to the project's website, but is now no longer available to view.

**74.** It goes on to say:

*"This involved directly connecting with local community groups and organisations, sending out 4,000 information leaflets to households in the area, launching a website with information, FAQ's, a questionnaire and contact details through which we can be contacted directly at any time. Through this process we received comments, views and questions from local people, many of which are helpful and constructive. This has now been live for eleven weeks and has proven to be highly effective with many small local companies, organisations and individuals wishing to engage with the Gilestone Project in the future".*

**75.** Fiona Stewart wrote again to the Committee on 1 November 2023 to explain Green Man's "value to Wales and the Welsh Economy"<sup>52</sup>, stating that:

- Green Man was the first UK festival to sell out for the 2024 festival season, the second year this had occurred, with all tickets sold within two hours.
- That 25,000 people a day attended Green Man, with visitors from all over the world (a destination map of ticket purchasers is included with the letter).
- The festival industry was "brutally competitive and dominated by international entertainment corporations, who unlike SMEs such as Green Man do not generate profit into the exchequer".

## Concerns

### Usk Valley Conservation Group

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**76.** The Usk Valley Conservation Group ('UKVG') were vocal in their opposition to Green Man's plans and has been gathering local views itself.

**77.** The Group wrote to the then Minister for the Economy on 31 July 2022 to urge the Welsh Government to rethink the plans<sup>53</sup>, with a copy of the letter shared with the Committee. They allege that Green Man had engaged

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<sup>52</sup> Letter from Fiona Stewart to the Chair, 1 November 2023

<sup>53</sup> Letter from the Usk Valley Conservation Group to the Minister for Economy, 31 July 2022

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in “no meaningful contract with the local population and continue to fail to engage”. The letter raised a series of concerns with the proposals, including:

- The limited access to the village of Talybont, with access only by two small roads and across “on of the only three bridges between Brecon and Crickhowell”.
- Environmental concerns were raised, with the letter noting that the valley in which the site sits supports “a rich and diverse ecosystem with many protected species, including curlew and the remaining European stronghold of the threatened lesser horseshoe bat, all of which will be negatively impacted by increased activity on the farm through traffic, light and noise pollution”.
- The risk of the site flooding was also noted.

**78.** The letter included a support pack, which included Environmental and Community Data, with further details about the environmental and ecological makeup of the site.

### **Stop Gilestone Farm Project**

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**79.** The group wrote to the Committee on 12 September 2023<sup>54</sup> to refute comments made by Fiona Stewart in a letter dated 28 August 2023 (noted above). The correspondence argues that an “overwhelming majority of residents (77%) responded ‘No’ when asked if Gilestone Farm was a suitable location for the Green Man’s proposed activities”, though it’s noted that details about the sample size for this survey are not known. It went on to say:

*“A large majority also said they had received insufficient information about the scheme and expressed opposition to commercial developments or large events being held on the site. There was, however, strong local support in the survey for the farm to be used for sustainable and regenerative agriculture”.*

### **Sporting and fishing rights**

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**80.** The Committee were copied into correspondence from an interested stakeholder, which raised concerns about the shooting and fishing rights at the site and who alleged they had not been engaged with by the Welsh Government.

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<sup>54</sup> Email from Stop Gilestone Farm Project to Chair, 12 September 2023

**81.** When asked about the status of these rights, the Director General confirmed they're "in dialogue", with legal advice sought<sup>55</sup>. The Committee will not include further information, to avoid any risk of legal prejudice.

## **Our view**

**82.** The Committee concurs with the Auditor General that the decision to purchase the farm was made with avoidable haste. Whilst it's understandable that the Welsh Government wanted to act with agility, this haste led to a lack of thorough due diligence.

**83.** Whilst the Committee is supportive of efforts to support the creative sector, and also of Welsh Government efforts to use financial levers to support it and other sectors, the haste of the Welsh Government in this instance meant that the plans were not sufficiently robust and had not been communicated effectively to the community. The Committee's view is that the balance between acting with agility and performing due diligence was not met on this occasion.

**84.** The conclusions about the failure to keep an adequate record of meeting with Green Man is regrettable. Without detailed contemporaneous notes of discussions, the Committee and the Senedd more generally is unable to fully scrutinise and evaluate decisions taken by the Welsh Government. In this case, the absence of adequate records inhibited the work of the Auditor General and his team and meant that a full audit trail of the Welsh Government's decision-making could not be established.

**85.** Similarly, it's troubling that an inconsistent approach has been adopted towards responding to Freedom of Information requests, inhibiting equitable access to pertinent information about the purchase. The Welsh Government must strive to respond equally and fairly to all such requests.

**86.** The picture on Ministerial Advice remains muddled and it's clear that important decision makers within the Welsh Government were not provided with information about the purchase in a timely manner. The Committee has previously raised concerns about how Ministerial Advice is dispensed in respect of our scrutiny of the National Museum for Wales.

**87.** The Welsh Government's Scheme of Delegation does not appear to have operated efficiently, given that the Director General for Economy, Treasury and Constitution and the Minister for Rural Affairs were not copied

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<sup>55</sup> RoP, Public Accounts and Public Administration Committee, 5 July 2023, p219

into the Ministerial Advice, despite the purchase being of direct relevance to their respective portfolios.

**88.** The Ministerial Advice was insufficiently clear about the risks posed by the proposal, as well as what could be done to mitigate those risks.

**89.** The Welsh Government needs to reflect on these issues and review whether there are robust arrangements and guidance in place governing who is provided with Ministerial Advice and whether it provides the information required by Ministers and senior decision makers.

**Recommendation 1.** The Welsh Government should review the arrangements around how Ministerial Advice is shared with Cabinet Secretaries and Welsh Government Directors, to ensure all senior decision-makers are presented with the information that is relevant to their portfolios. They should also review any guidance about the content of the advice, to ensure that the necessary information is provided to decision-makers.

**90.** The Committee heard from a range of stakeholders who were dissatisfied with the engagement practices of the Welsh Government as part of the purchase process and subsequent consultation process on the future of the site. The Committee heard evidence that the proposals for the site were insufficiently clear or detailed and that there was no “meaningful contact” with the community. The Welsh Government should have ensured that all members of the community, regardless of their opinions on the purchase and future of the site, were not only kept informed but also listened to as part of the process.

**91.** The Welsh Government acknowledged in evidence that the relationship with the community needed to improve and efforts were made to do this. However, it's incumbent on the Welsh Government to ensure that the community feel listened to and engaged with throughout such processes in the future.

**92.** The Committee has raised concerns about engagement with the public in the past and feel that now is the time for the Welsh Government to review its approaches to consultation and engagement with the public more generally. They should consider whether the practices currently being utilised are sufficiently robust, how consistently is the process being applied and how is it involving the public in shaping plans and initiatives.

**93.** It should also inform the Committee about how it evaluates the success of their consultation and engagement practices and about the levels of satisfaction.

**Recommendation 2.** The Welsh Government should review its practices around consultation and engagement more generally and report its findings to the Committee. The review should consider whether enough is being done to communicate with the public, whether the most effective methods of communication are being utilised and whether enough is done to reflect this community engagement when finalising plans or strategies.

**Recommendation 3.** The Welsh Government should explain how it evaluates the success of their consultation and engagement more generally and what data do they collect about engagement levels and contact rates in the communities where these exercises are held, and more generally.

**94.** The negative response from some stakeholders is unsurprising, given the haste with which the purchase process occurred and the consequent lack of due diligence performed about the suitability of the site for the proposed plans. In particular, it's notable that the Usk Valley Conservation Group wrote to the Minister for Economy in July 2022 to raise concerns about the presence of other protected species on the site.

## 5. Subsequent developments

### Arrival of the ospreys

**95.** In a letter to the Committee following an evidence session on 5 July 2023, the Director General noted:

*"... you will have heard that a breeding pair of Ospreys had been sighted on Gilestone Farm. Both Welsh Government and Green Man, in keeping with the importance we each attach to the natural environment and to enhancing biodiversity, have agreed our priority must be the birds' welfare and protection. Both adult birds had left the site as of 14 September, but we hope that they will return to their constructed nest next Spring. My team are currently working with relevant experts to prepare a protection and management plan for the site"<sup>56</sup>.*

**96.** The Welsh Government's website page on Gilestone Farm notes that the Welsh Government were informed about the presence of a pair of ospreys, who were nesting on the site. The guidance notes that ospreys are a "Schedule 1 species protected under the Wildlife and Countryside Act 1981"<sup>57</sup>. It's noted that this is the first time they'd been observed "this far south in Wales in around 200 years".

**97.** In a written statement on 29 January 2024, the then Minister for Economy issued an update on the future of the Farm<sup>58</sup>. The statement confirmed that an 'Osprey Conservation Plan' had been put in place, with experts advising on how to "best manage the site going forward, alongside our continued ambitions for sustainable economic development, including the potential for rural tourism opportunities that support employment opportunities for young people".

**98.** The letter goes on to confirm that, following consideration of the expert advice, that:

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<sup>56</sup> Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 25 September 2023

<sup>57</sup> Welsh Government, Guidance: Gilestone Farm

<sup>58</sup> Welsh Government, Written Statement: The Future of Gilestone Farm, 29 January 2024

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*“... it is clear that the full commercial and charitable objectives of the Green Man Group, as set out in its business plan for the use of Gilestone Farm, can no longer be realised. This is because the report advises that a 750m restricted zone around the nest must be in place on the farm within which only very limited human activity can take place. Protecting the environment for the birds is and will remain paramount”.*

**99.** It goes on to note that Green Man is a “great commercial and culture asset for Wales” and restates the Welsh Government’s commitment to “secure a suitable long-term base in Wales, where its strong potential can be realised”. The Minister expressed regret that “elected officials and business partners have been subject to sustained and personal attacks regarding this matter”.

**100.** The letter also confirms that there remains opportunities for sustainable farming and economic development to continue at the site, but that the Welsh Government’s “well-established principles for use and disposal of land and property assets will provide a basis for making decisions about the future of the farm”.

**101.** In a letter to the Committee following the written statement’s publication, dated 2 February 2024, the Director General reiterated the Welsh Government’s approach to protecting the birds, describing the work undertaken with the relevant osprey experts<sup>59</sup>.

**102.** It went on to expand on the commercial plans for the site, stating:

*“... the report advised a cautious approach with regards to human activity on the wider site, even beyond that within the specific restriction zone. The Minister for Economy accepted these recommendations, and accordingly commercial negotiations between Welsh Government and Green Man regarding a lease for the site were drawn to a close”.*

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<sup>59</sup> Letter from the Welsh Government’s Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee, 2 February 2024

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**103.** The Director General also noted:

*"... the site will be treated as surplus to Welsh Government requirements in terms of the initial policy objectives stated in the rationale for acquiring the site. Welsh Government has existing guidance for such circumstances, the Identification and Disposal of Welsh Government Non-Core Surplus Land and Buildings, which will be used to inform decisions about next steps. In the first instance, we will consider whether the site can deliver alternative policy proposals and will speak to other public bodies and NGOs about the farm's conservation and wildlife tourism potential".*

## Response

**104.** A spokesperson on behalf the Stop Gilestone Farm Project group welcomed the decision to reconsider plans for the site in local media<sup>60</sup>, going on to say that the group has:

*"... always called for the discussions about the future of Gilestone Farm to be conducted with courtesy and respect, and our group shares Mr Gething's concerns about threats and personal attacks. However, we would urge him to investigate these properly, rather than making a generalised statement which risks misrepresenting the community in Talybont-on-Usk. The Welsh Government must accept there were legitimate local concerns about this scheme, and these have always been carefully and respectfully presented by our campaign group".*

**105.** In a letter date 21 March 2024, the Welsh Government confirmed that they had not (at that time) sought an updated valuation following the discovery of the ospreys on the site<sup>61</sup>. An external valuation of the farm was undertaken in July 2023, with the property valued at £4.25m (the same figure as the Welsh Government paid for the site). The letter goes on to say:

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<sup>60</sup> Brecon & Radnor Express, [Stop Gilestone Farm Project 'pleased' to hear news deal is no longer going ahead](#), 29 January 2024

<sup>61</sup> [Letter from the Welsh Government's Director General for Economy, Treasury and Constitution Group to the Chair of the Public Accounts and Public Administration Committee](#), 21 March 2024



*"The birds' arrival makes the site a unique proposition, and we have since received and implemented the osprey conservation plan. Looked at typically, a firm revised valuation will be difficult to obtain; the uniqueness of the site and situation means there is a lack of comparable and/or empirical evidence to substantiate a change in value either upwards or downwards. A current, in-principle valuation of the asset will nevertheless be undertaken by Alder King as part of the Annual Valuation of all Welsh Government assets. That valuation should be available by early May, and I will update you and the Committee as to the findings".*

**106.** The letter also confirmed that the income earned from the Farm Business Tenancy to November 2023 was £37,753, with a new tenancy agreed up to November 2024 with the same tenant.

**107.** The Stop Gilestone Farm Project group subsequently wrote to the Committee on 27 March 2024<sup>62</sup> to set out a series of reflections on the process:

- They criticised the decision to proceed with the purchase without any public consultation. They allege that earlier consultation would have raised a series of issues which may have resulted in the process being abandoned, including local sightings of ospreys in the area.
- They allege that the business case was "not always supported by published evidence", with concerns raised about the estimated £23m benefit to the local economy.
- They criticise the Welsh Government for the slow progress in engaging in community consultation.

**108.** The Welsh Government wrote to the Committee on 28 April 2025 to confirm that the property had been valued at £3.75m, as part of the Welsh Government's annual asset valuation process in March 2025<sup>63</sup>, a significant loss compared to the purchase price of £4.25m.

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<sup>62</sup> Email from the Stop Gilestone Farm Project to the Chair, 27 March 2024

<sup>63</sup> Letter from the Welsh Government's Director General for Economy, Energy and Transport to the Chair, 28 April 2025

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**109.** The property has been leased via a Farm Business Tenancy to November 2025 (whether this is to the existing tenant is not specified) on “commercial terms”.

**110.** The Director General confirms that the presence of the ospreys, and their welfare, is a “critical” factor in evaluating the future for the site.

## **Our view**

**111.** The Committee remains concerned that the haste at which the Welsh Government bought the site may have inhibited its ability to identify risks around the presence of wildlife that would affect its proposals for the site and, potentially, its value. This is particularly notable as the site has now been valued at £3.75m, meaning that the Welsh Government's asset has lost half a million pounds in value.

**112.** This significant loss in value is particularly notable during the challenging financial landscape facing the Welsh Government and the public sector as a whole.

**Recommendation 4.** The Welsh Government's Permanent Secretary should conduct a full review of the purchase process and reflect on the significant loss in value to the land and whether this could have been mitigated had the Welsh Government performed more rigorous due diligence ahead of the purchase. It should reflect on whether more robust due diligence could have detected the risk of this issue arising, had more thorough pre-purchase checks been undertaken. The review should set out clearly the options available to the Welsh Government to mitigate the losses to the public purse.

**113.** Whilst the Committee believes that it's important that the Welsh Government has the power to make investments, through either property purchases or funding, to support specific industries across Wales, the Committee has noted a troubling pattern of these funds and investments losing money and failing to deliver on their objectives.

**114.** The Committee intends to pursue further work in this area, to better understand the Welsh Government's approach to property investments and evaluate whether they are suitable. We are particularly concerned about what guidance is in place pre-purchase, particularly as in this case the purchase was made with avoidable haste, to capitalise on the availability of year-end funding.

**115.** The Committee wants to learn about the provisions and guidance followed in relation to property investments, to better understand what's

already in place and whether they are suitable for mitigating similar situations in the future.

**116.** The Welsh Government should inform the Committee of any updates to the value of the land, as well as on future plans for disposing of or utilising the site.

**Recommendation 5.** The Welsh Government should set out what pre-investment guidelines or milestones, if any, are followed before proceeding with property or land purchases, including what searches or surveys must be undertaken to determine the suitability of the land. This explanation should also set out any exceptions where these rules do not need to be followed, if applicable.

**Recommendation 6.** The Welsh Government should explain what guidance or rules are followed in relation to obtaining valuations on prospective property or land purchases and what's required of Ministers and officials.

**Recommendation 7.** The Welsh Government should outline the role of the Land Division in relation to property and land purchases and explain how they work with the relevant departments to ensure the land is suitable for the purposes that are intended, and the due diligence they are expected to perform in advance of purchases.

**Recommendation 8.** The Welsh Government should inform the Committee of any updated valuations for the land. They should also update the Committee when decisions are made about a future use for the site, including if the process to sell the site commences.

**Conclusion 1.** The Committee will commission an inquiry into the Welsh Government's approach to property investments, to better understand the processes applied and to evaluate whether they are sufficiently rigorous.

## Annex 1: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below.

Transcripts of all oral evidence sessions can be viewed on the [Committee's website](#).

Date	Name and Organisation
14 July 2022	<b>Andrew Slade, Director General - Economy, Treasury and Constitution Group,</b> Welsh Government <b>Jason Thomas, Director - Culture, Sport and Tourism,</b> Welsh Government <b>Gerwyn Evans, Deputy Director - Creative Wales,</b> Welsh Government <b>Tim Howard, Deputy Director - Creative Wales,</b> Welsh Government