

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee
room 4 Ty Hywel and video conference
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 8 March 2023

0300 200 6388

Meeting time: 09.30

SeneddFinance@senedd.wales

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

(Pages 1 – 3)

Minutes of the meeting held on 1 March 2023

2.1 PTN 1 – Letter from the Minister for Finance and Local Government: Update on Financial Transactions Capital allocations – 27 February 2023

(Pages 4 – 5)

3 Financial Implications of the Health Service Procurement (Wales)

Bill: Evidence session

(09.30–10.30)

(Pages 6 – 22)

Eluned Morgan MS, Minister for Health and Social Services

Dafydd Evans, Deputy Director, Life Sciences and Innovation

Leanne Roberts, Head of Procurement Reform Policy – Health and Social Care

Supporting documents:

[Health Service Procurement \(Wales\) Bill](#) (PDF, 98KB)

[Explanatory Memorandum](#)



Senedd Cymru
Welsh Parliament

- 4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the meeting on 23 March 2023**
(10.30)
- 5 Financial Implications of the Health Service Procurement (Wales) Bill: Consideration of evidence**
(10.30–10.45)
- 6 Review of the Welsh Revenue Authority Charter**
(10.45–11.00) (Pages 23 – 25)
Supporting documents:
FIN(6)–06–23 P1 – Welsh Revenue Authority
- 7 Scrutiny of the Welsh Government Second Supplementary Budget 2022–23: Consideration of draft report**
(11.00–11.30)
Supporting documents:
FIN(6)–06–23 P2 – Draft report (To be included in supplementary pack)

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee room 3, Senedd and video conference via Zoom

This meeting can be viewed on [Senedd TV](http://senedd.tv/en/13441) at: <http://senedd.tv/en/13441>

Meeting date: Wednesday, 1 March 2023

Meeting time: 09.30 – 11.12

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS
Witnesses:	Rebecca Evans MS, Minister for Finance and Local Government Emma Watkins, Welsh Government Sharon Bounds, Welsh Government
Committee Staff:	Owain Roberts (Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher)

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.



1.2 Apologies were received from Rhianon Passmore MS.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Letter from the Minister for Finance and Local Government: Information following the 19 January budget scrutiny session – 6 February 2023
- 2.2 PTN 2 – Letter from the Minister for Health and Social Services: Information following the 19 January budget scrutiny session – 6 February 2023
- 2.3 PTN 3 – Agriculture (Wales) Bill: Welsh Government response – 3 February 2023
- 2.4 PTN 4 – Letter from the Minister for Finance Local Government to the Chair of the Legislation, Justice and Constitution Committee: Inter-Ministerial Standing Committee – 7 February 2023
- 2.5 PTN 5 – Letter from the Minister for Finance and Local Government to the Llywydd: The Non-Domestic Rating (Multiplier) (Wales) Regulations 2023 – 24 January 2023
- 2.6 PTN 6 – Letter from the Minister for Finance and Local Government: Land Transaction Tax Independent Review – Report – 15 February 2023
- 2.7 PTN 7 – Letter from the Minister for Rural Affairs and North Wales, and Trefnydd: Scrutiny of the financial implications of Bills – 15 February 2023
- 2.8 PTN 8 – Letter from the Minister for Finance and Local Government: Finance Inter-ministerial Standing Committee (F:ISC) – 21 February 2023
- 2.9 PTN 9 – Letter from the Minister for Finance and Local Government: Report on Outturn 2021–22 – 24 February 2023

3 Scrutiny of the Welsh Government Second Supplementary Budget 2022–23

- 3.1 The Committee took evidence on the Welsh Government Second Supplementary Budget 2022–23 from Rebecca Evans MS, Minister for Finance and Local Government;

Emma Watkins, Deputy Director, Budget and Government Business; and Sharon Bounds, Deputy Director, Financial Controls.

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.

The motion was agreed.

5 Scrutiny of the Welsh Government Second Supplementary Budget 2022–23: Consideration of evidence

5.1 The Committee considered the evidence received.

6 Consideration of the Forward Work Programme

6.1 The Committee considered the Forward Work Programme.

Agenda Item 2.1

Rebecca Evans AM
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

27 February 2023

Dear Peredur,

As ever I am grateful for the contributions of the Finance Committee in the vital role of scrutiny of the Welsh Government's budgets. During the scrutiny of the draft Budget 2023-24, the Finance Committee proposed the following recommendation:

'Recommendation 10: The Committee recommends that the Welsh Government: provides an update on Financial Transactions Capital allocations before the Final Budget is laid and explains why such allocations could not be included at the Draft Budget stage for the second year running.'

The Welsh Government accepts this recommendation; however, I want to again outline the complexity we face when allocating Financial Transactions (FT) capital. This is a ringfence within the capital budget which can only be used for loans or investments and therefore can only be allocated when we are certain a return can be expected. We need to ensure loans are recoverable, and do not have any detrimental impact on our wider budget position. On this basis, I must ensure there are robust and appropriate systems are in place to safeguard public monies, minimise risk and ensure the effectiveness of our investments.

As I have previously outlined to the Committee, the restrictions on this type of capital - such as not being able to loan to public bodies - makes this a more challenging form of capital to deploy. It is also worth noting that the FT capital ringfenced budget represents less than 0.4% of the total Welsh finances available in 2023-24. The Draft Budget prioritises allocating 98% of available resources to deliver this Government's commitments. However, I do acknowledge the Committee's frustration and I will take every step to ensure this is not the case for the 2024-25 Draft Budget.

I have included a list of the Financial Transaction Capital allocations for 2023-24 for the Finance Committee's consideration.

- To extend the existing mortgage rescue scheme, we are allocating £40m to support those in short and long term financial difficulty with a short term loan, reverse shared equity product, or a mix of both, with the goal of avoiding homelessness and preventing repossession.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- To create a new scheme providing short and long-term loans to Registered Social Landlords to assist with funding Social Housing Grant development plans, we are allocating £59m of capital. This will help mitigate the negative impact of inflation and borrowing and provide certainty to the sector, contributing to the decarbonisation of social housing and providing savings to tenants.
- Help to Buy Wales has supported thousands of people to realise their dream of home ownership since it was launched in January 2014, with more than 13,400 homes delivered through the scheme alongside driving changes in the housing industry. We are allocating £63m to extend the scheme until March 2025, adapting the scheme to take account of changes in the housing market, the impact of the current economic climate on potential homeowners and the housing industry.
- To continue to support improvements to our educational estate we are providing a further £2.4m in our Sustainable Communities for Learning programme.

In addition to the above allocations, I wish to draw the Committee's attention to indicative allocations of funding to the Climate Change and Economy MEGs of £10m each respectively. There are a number of proposals with strong potential that need further development, and these are accelerating at pace. Given the commercial sensitivity of these options I am not able to provide more information at this time, however, I will provide more detail on these allocations as they progress.

I look forward to the Committee's reflections on these allocations and to working with colleagues as the proposals progress.

Yours sincerely,



Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Agenda Item 3

By virtue of paragraph(s) ix of Standing Order 17.42

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