

Agenda – Finance Committee

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

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 9 May 2024

0300 200 6388

Meeting time: 10.30

SeneddFinance@senedd.wales

Registration

(10.00)

Private Pre-meeting

(10.15–10.30)

1 Introductions, apologies, substitutions and declarations of interest

(10.30)

2 Paper(s) to note

(10.30)

(Pages 1 – 5)

Minutes of the meetings held on 24 April

2.1 PTN 1 – Letter from the Cabinet Secretary for Finance, Constitution & Cabinet Office: Approach to the publication of supplementary budgets – 29 April 2024

(Page 6)

3 Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales: Evidence session

(10.30–11.30)

(Pages 7 – 27)

Michelle Morris, Public Services Ombudsman for Wales

Chris Vinestock, Chief Operating Officer & Director of Improvement

Katrin Shaw, Chief Legal Adviser & Director of Investigations



Supporting documents

FIN(6)-11-24 P1 - Letter from the Public Services Ombudsman for Wales - 15 April 2024

FIN(6)-11-24 P2 - PSOW's Review: Draft Terms of Reference

Senedd Research Brief

[Statement & Draft Terms of Reference from Public Services Ombudsman for Wales](#) - 7 May 2024

- 4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting**
(11.30)
- 5 Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales: Consideration of evidence**
(11.30-12.00)
- 6 Update on the Wales Audit Office Board Membership**
(12.00-12.15)
Supporting documents
FIN(6)-11-24 P3 - Cover paper (To be included in a supplementary pack)
FIN(6)-11-24 P4 - Draft Terms and Conditions (To be included in a 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](#) at: <http://senedd.tv/en/13865>

Meeting date: Wednesday, 24 April 2024

Meeting time: 09.30 – 11.32

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	Jane Hutt MS, Trefnydd and Chief Whip Will Whiteley, Welsh Government Gareth Davies, National Audit Office Lee Summerfield, National Audit Office
Committee Staff:	Owain Roberts (Clerk) Leanne Hatcher (Second Clerk) Cerian Jones (Second Clerk) Mike Lewis (Deputy Clerk) Christian Tipples (Researcher) Owen Holzinger (Researcher) Božo Lugonja (Researcher)



	Ben Harris (Legal Adviser) Catherine McKeag (Citizen Engagement Manager)
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Private pre-meeting / Registration

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 for items 4-6 and 10.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Letter from the Minister for Finance and Local Government: Additional information following the evidence session on the second supplementary budget 2023–24 – 18 March 2024
- 2.2 PTN 2 – Letter from the Minister for Finance and Local Government: Finance: Interministerial Standing Committee Meeting – 19 March 2024
- 2.3 PTN 3 – Letter from the Senedd Commission: Further information on recommendations made in the Finance Committee's report on the Scrutiny of the Commission's Draft Budget 2024–25 – 19 March 2024
- 2.4 PTN 4 – Letter from the Senedd Commission: Response to recommendations made in the Committee's report on the Financial Implications of the Senedd Cymru (Members and Elections) Bill – 20 March 2024
- 2.5 PTN 5 – Letter from the Legislation, Justice and Constitution Committee to the Minister for Climate Change: Welsh Government's Legislative Consent Memoranda on the Leasehold and Freehold Reform Bill – 19 Mar 2024
- 2.6 PTN 6 – Letter from the Legislation, Justice and Constitution Committee: Welsh Government's Legislative Consent Memorandum on the Renters (Reform) Bill – 19 March 2024
- 2.7 PTN 7 – Letter from the Cabinet Secretary for Housing, Local Government and Planning: Welsh Government's Legislative Consent Memorandum on the Renters (Reform) Bill – 8 April 2024
- 2.8 PTN 8 – Joint letter from the Legislation, Justice and Constitution Committee, and the Finance Committee: Welsh Tax Acts etc. (Power to Modify Act) 2022: Section 6 (Review of operation and effect of this Act) – 19 March 2024

2.9 PTN 9 – Letter from Philip Rycroft: Additional information on Fiscal Intergovernmental Relations – 11 April 2024

2.10 PTN 10 – Welsh Government response to the Finance Committee's report recommendations on the Financial implications of the Local Government Finance (Wales) Bill – 11 April 2024

2.11 PTN 11 – Response from the Member in Charge to the Finance Committee's report recommendations on the Financial implications of the Residential Outdoor Education (Wales) Bill – 15 April 2024

3 Fiscal Intergovernmental Relations: Evidence session 2

3.1 The Committee took evidence on its inquiry into Fiscal Intergovernmental Relations from Gareth Davies, Comptroller and Auditor General, National Audit Office; and Lee Summerfield, Director of Investigations, National Audit Office.

3.2 The National Audit Office agreed to provide a note on the following:

- Details regarding the deficits faced by Health Boards in England that were written off by HM Treasury.

Break

4 Financial implications of the Senedd Cymru (Electoral Candidate Lists) Bill: Evidence session

4.1 The Committee took evidence on the Financial implications of the Senedd Cymru (Electoral Candidate Lists) Bill from Jane Hutt MS, Trefnydd and Chief Whip, Welsh Government; and Will Whiteley, Deputy Director, Senedd Reform Division, Welsh Government.

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

5.1 The motion was agreed.

6 Financial implications of the Senedd Cymru (Electoral Candidate Lists) Bill: Consideration of evidence

6.1 The Committee considered the evidence received.

7 Fiscal Intergovernmental Relations: Consideration of evidence

7.1 The Committee considered the evidence received.

8 Wales Audit Office Board Membership

8.1 The Committee considered the supporting documents relating to this item.

9 Motion to instruct the Finance Committee relating to the Public Services Ombudsman for Wales

9.1 The Committee considered the cover paper and noted the motion.

10 Scrutiny of the Welsh Government Draft Budget 2025–26: Approach to engagement

10.1 The Committee considered the paper on its approach to engagement relating to the scrutiny of the Draft Budget 2025–26.

Agenda Item 2.1

Rebecca Evans AS/MS
Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad
Cabinet Secretary for Finance, Constitution & Cabinet Office



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/RE/5100/24

Peredur Owen Griffiths MS,
Chair Finance Committee,
The Senedd,
Cardiff Bay,
Cardiff
CF99 1NA

29 April 2024

Dear Peredur,

I am writing to inform you of our approach to the publication of supplementary budgets during 2024-25.

I intend to continue with the practice adopted over recent years and publish two supplementary budgets during the financial year.

A first supplementary budget will be tabled on 18 June to allow for a debate on 9 July, prior to the summer recess. This allows a period of three weeks for scrutiny under Standing Orders.

The budget will also provide an opportunity to reflect the changes arising from the UK Government's 2024 Spring Budget and 2024-25 Main Estimates exercise, alongside any allocations from our reserves.

Following current practice, I intend to publish a Second Supplementary Budget later in the financial year.

I hope you find this update helpful.



Rebecca Evans AS/MS
Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet
Cabinet Secretary for Finance, Constitution & Cabinet Office

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

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.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

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Ombwdsmon
Ombudsman
Cymru • Wales

Agenda Item 3

Your ref:

Ask for: Michelle Morris

Our ref: MAM/mm



Date: 15 April 2024



Peredur Owen Griffiths
Chair, Finance Committee

By email only
seneddfinance@senedd.wales

Dear Peredur

I am writing to brief the Finance Committee following recent events regarding the social media posts made by a team leader at the Public Services Ombudsman for Wales (PSOW).

There can be no doubt that these events have damaged the reputation of the organisation and, unfairly, cast doubt on the independence, impartiality and integrity of all of those who work for PSOW. The situation the organisation finds itself in has come as a shock to staff and continues to cause huge concern.

This letter is intended to provide information on the recent events and the action being taken to begin the process of rebuilding trust in our work. Events started when I received a letter detailing allegations that a team leader had posted political comments on social media. These posts called into question her impartiality. The team leader was subsequently suspended and, the following week, she resigned and is no longer employed by PSOW. In line with our contract of employment she will receive pay in lieu of the contractual notice period. No severance payment above contractual payments will be made.

The team leader managed the Councillor Code of Conduct team from February 2019 until August 2023, when a rotation of team leaders took place and she moved out of the team. From April 2021 onwards this team was responsible for assessing complaints against councillors and making decisions on which complaints should not be investigated. Prior to this date these assessments were made in a different team that was not managed by the team leader in question.

In view of the damage done to the organisation's reputation, I am conscious that an independent external review is required to provide assurance that there has been no bias in decision making and that we continue to deliver an independent, fair and impartial service.

ombwdsmon.cymru
holwch@ombwdsmon.cymru
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales
ask@ombudsman.wales
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
We'd be happy to accept and respond
to correspondence in Welsh.

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The review will consider our processes for handling code of conduct complaints and those cases brought into question by recent events. In particular it will consider decisions not to investigate, made by the team leader and the Code of Conduct Team. Decisions made at that stage follow the application of a two-stage test: firstly, whether the evidence suggests that a breach of the Code of Conduct has occurred and, secondly, whether an investigation is required in the public interest.

My role, as Ombudsman, is to investigate and to decide whether, or not, to refer the case to the relevant Standards Committee or the APW, for consideration. I have no role reaching a finding as to whether the Councillors' Code of Conduct has been breached, nor in deciding any sanction. Any complaints referred to Standards Committees or the APW are subject to an independent hearing, in which the investigation is challenged and scrutinised and witnesses can be called. These hearings then reach their decision independently and the councillor had the right to appeal against those decisions. For these reasons these cases cannot be reopened and will not be included in the review.

While there is no evidence that the team leader expressed her personal views or influenced others in the office we recognise that any review also needs to provide assurance on this point.

I recognise that it is essential that this review has the confidence of the Senedd and stakeholders across local government. Whilst I remain confident that James Goudie KC would have carried out the review with integrity, impartiality and professionalism, it is evident that concerns have been expressed by several people and would lead to a lack of confidence in the review and its findings. I have listened to these views and reconsidered this appointment and will now be seeking another person to lead this work instead.

I do not underestimate the damage done by these social media posts and the subsequent events. I remain committed to working with my staff and our stakeholders across local government to rebuild trust in our work. I recognise it is now more important than ever that the role of Ombudsman, and of my office, is held to account by the Senedd through the work of the Finance Committee and I will make myself available to the Committee to provide updates and to attend Committee to provide any further information or explanation that the Committee may seek, including the final report of the independent review.

Yours sincerely



Michelle Morris
Public Services Ombudsman

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