

## Finance Committee

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Meeting Venue:  
**Committee Room 2 – Senedd**

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Meeting date:  
**7 November 2013**

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Meeting time:  
**09:00**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



For further information please contact:

**Gareth Price**  
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029 2089 8409  
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## Agenda

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### **1 Introductions, apologies and substitutions (09:00)**

### **2 National Health Service Finance (Wales) Bill: Stage 2 – Consideration of Amendments (09:00–10:30) (Pages 1 - 14)**

In accordance with Standing Order 26.21, the Committee will dispose of amendments to the Bill in the following order:

Sections 1 – 3

Marshaled List of Amendments: 7 November 2013

Groupings of Amendments: 7 November 2013

Mark Drakeford AM, Minister for Health and Social Services

Sally Hughes, Welsh Government Lawyer

Mark Osland, Deputy Director, Finance, Department of Health and Social Services

### **3 Papers to note (10:30) (Pages 15 - 23)**

Minutes of the meeting held on 23 October 2013

Minutes of the meeting held on 17 October 2013

Minutes of the meeting held on 09 October 2013

### **National Health Service Finance (Wales) Bill: Letter from the Minister for Health and Social Services (29 October 2013) (Pages 24 - 25)**

FIN(4)-19-13 (PTN1)

**Education (Wales) Bill: Letter from the Minister for Education and Skills (22 October 2013)** (Pages 26 - 27)  
FIN(4)-19-13 (PTN2)

**4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: (10:30)**  
Items 5 & 6

**5 Finance Wales Inquiry: Consideration of Draft Terms of Reference (10:30–10:45)** (Pages 28 - 31)  
FIN(4)-19-13 (paper 1)

**6 Consideration of draft report on the Welsh Government draft budget proposals 2014–15 (10:45–12:15)**  
FIN(4)-19-13 (paper 2)



## RHESTR O WELLIANNAU WEDI'U DIDOLI MARSHALLED LIST OF AMENDMENTS

### Bil Cyllid y Gwasanaeth Iechyd Gwladol (Cymru) National Health Service Finance (Wales) Bill

Mae'r gwelliannau â \* ar eu pwys yn rhai newydd neu'n rhai sydd wedi'u haddasu.

Amendments marked \* are new or have been altered.

Mae'r testun mewn italig wedi'i ddarparu gan y sawl a gynigiodd y gwelliant perthnasol i esbonio ei ddiben ac i gynorthwyo'r darlennydd. Nid yw'r testun yn rhan o eiriad y gwelliant.

The text in italics has been provided by the proposer of the relevant amendment to explain its purpose and to aid the reader's understanding. The text does not form part of the amendment.

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Caiff y Bil ei ystyried yn y drefn a ganlyn—

The Bill will be considered in the following order—

Section Nos. English 1-3

Rhifau adrannau Cymraeg 1-3

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**Mark Drakeford**

8

Section 2, page 1, after line 26, insert—

'() After subsection (1) of section 175 insert—

“(1A) But the duty on a Local Health Board under subsection (1) is subject to any direction given by the Welsh Ministers under subsection (2)(b).”

() For subsection (2) of section 175 substitute—

“(2) The Welsh Ministers may—

(a) give such directions to a Local Health Board as appear to be requisite to secure that it complies with the duty under

subsection (1);

- (b) provide by direction that due to unexpected circumstances a local health board's expenditure in respect of a three-year accounting period may exceed the aggregate of the amount and sums in paragraphs (a) to (c) of subsection (1) by an amount or percentage specified in the direction.'".

Adran 2, tudalen 1, ar ôl llinell 29, mewnosoder –

'() Ar ôl is-adran (1) o adran 175 mewnosoder –

“(1A) But the duty on a Local Health Board under subsection (1) is subject to any direction given by the Welsh Ministers under subsection (2)(b).”

() Yn lle is-adran (2) o adran 175 rhodder –

“(2) The Welsh Ministers may –

- (a) give such directions to a Local Health Board as appear to be requisite to secure that it complies with the duty under subsection (1);
- (b) provide by direction that due to unexpected circumstances a local health board's expenditure in respect of a three-year accounting period may exceed the aggregate of the amount and sums in paragraphs (a) to (c) of subsection (1) by an amount or percentage specified in the direction.'.

**Paul Davies**

**Gyda chefnogaeth / Supported by: Peter Black**

**3**

Section 2, page 1, after line 26, insert –

'by an amount more than three and half per cent of the aggregate of the initial amount allotted to the Local Health Board under section 174(1)(b) during the relevant three-year accounting period.'".

Adran 2, tudalen 1, ar ôl llinell 29, mewnosoder –

'by an amount more than three and a half per cent of the aggregate of the initial amount allotted to the Local Health Board under section 174(1)(b) during the relevant three-year accounting period.'".

**Simon Thomas**

**Gyda chefnogaeth / Supported by: Peter Black, Paul Davies**

**1**

Section 2, page 1, after line 26, insert—

‘() After section 175(1) insert a new subsection—

“(1A) Each Local Health Board must, in respect of each three-year accounting period, develop three-year integrated medium term service plans (to include medium term financial plans) to be approved by the Welsh Ministers prior to the beginning of each three-year accounting period.

(1B) The Welsh Ministers may issue guidance as to the content of the plans developed under subsection (1A).

(1C) The Welsh Ministers may give such directions to a Local Health Board as appear to be requisite to secure that it complies with the duty under subsection (1A).”

Adran 2, tudalen 1, ar ôl llinell 29, mewnosoder—

‘() After section 175(1) insert a new subsection –

“(1A) Each Local Health Board must, in respect of each three-year accounting period, develop three-year integrated medium term service plans (to include medium term financial plans) to be approved by the Welsh Ministers prior to the beginning of each three-year accounting period.

(1B) The Welsh Ministers may issue guidance as to the content of the plans developed under subsection (1A).

(1C) The Welsh Ministers may give such directions to a Local Health Board as appear to be requisite to secure that it complies with the duty under subsection (1A).”

**Simon Thomas**

**Gyda chefnogaeth / Supported by: Peter Black, Paul Davies**

**2**

Section 2, page 1, after line 26, insert—

‘() After section 175(2) insert new subsections –

“(2A) If a Local Health Board fails in its duty under subsection (1), the Welsh Ministers shall not increase the initial amount under section 174(1)(b) unless the increase is approved by a resolution of the National Assembly for Wales, passed on a vote in which the number of National Assembly for Wales members voting in favour is not less than a majority of the National Assembly for Wales members present at the vote.

(2B) But subsection (2A) does not prevent the Welsh Ministers from taking

emergency action to increase the initial amount without approval by a resolution of the National Assembly for Wales.

- (2C) The Welsh Ministers must lay before the National Assembly for Wales notice of their intention to take any emergency action under subsection (2B) before taking the emergency action, specifying the reasons for taking the emergency action.
- (2D) The Welsh Ministers must report to the National Assembly for Wales immediately after taking any emergency action under subsection (2B), specifying the reasons for taking the emergency action.”

Adran 2, tudalen 1, ar ôl llinell 29, mewnosoder –

‘() After section 175(2) insert new subsections –

- “(2A) If a Local Health Board fails in its duty under subsection (1), the Welsh Ministers shall not increase the initial amount under section 174(1)(b) unless the increase is approved by a resolution of the National Assembly for Wales, passed on a vote in which the number of National Assembly for Wales members voting in favour is not less than a majority of the National Assembly for Wales members present at the vote.
- (2B) But subsection (2A) does not prevent the Welsh Ministers from taking emergency action to increase the initial amount without approval by a resolution of the National Assembly for Wales.
- (2C) The Welsh Ministers must lay before the National Assembly for Wales notice of their intention to take any emergency action under subsection (2B) before taking the emergency action, specifying the reasons for taking the emergency action.
- (2D) The Welsh Ministers must report to the National Assembly for Wales immediately after taking any emergency action under subsection (2B), specifying the reasons for taking the emergency action.”’.

**Simon Thomas**

**Gyda chefnogaeth / Supported by: Peter Black**

**10**

Section 2, page 2, after line 5, insert –

‘() After section 175 insert a new section –

“( ) **Assessment and approval of integrated plans**

- (1) The Welsh Ministers must assess the integrated plans (including financial plans) developed by Local Health Boards under any enactment in relation to a three-year accounting period, to assess whether such plans are to be approved by the Welsh Ministers.
- (2) The Welsh Ministers must not approve plans assessed under subsection (1) unless satisfied that they secure the proper performance

by Local Health Boards of functions exercisable by them under or by virtue of this Act or any other enactment.”.

Adran 2, tudalen 2, ar ôl llinell 5, mewnosoder –

‘() Ar ôl adran 175 mewnosoder adran newydd –

**“( )Asesu a chymeradwyo cynlluniau integredig**

- (1) Rhaid i Weidogion Cymru asesu’r cynlluniau integredig (gan gynnwys y cynlluniau ariannol) a ddatblygir gan Fyrddau Iechyd Lleol o dan unrhyw ddeddfiad mewn perthynas â chyfnod cyfrifyddu tair blynedd, er mwyn asesu a yw cynlluniau o’r fath i’w chymeradwyo gan Weidogion Cymru.
- (2) Rhaid i Weidogion Cymru beidio â chymeradwyo cynlluniau a asesir o dan is-adran (1) oni bai eu bod wedi’u bodloni eu bod yn sicrhau bod Byrddau Iechyd Lleol yn cyflawni yn briodol swyddogaethau sy’n arferadwy ganddynt hwy o dan neu yn rhinwedd y Ddeddf hon neu unrhyw ddeddfiad arall.”.

**Mark Drakeford**

9

Section 2, page 2, after line 8, insert –

‘(6) In paragraph 2 of Schedule 8 the existing text becomes sub-paragraph (1) and insert –

“(2) In section 175 “expenditure” includes the use of resources through their consumption or reduction in value.”.

Adran 2, tudalen 2, ar ôl llinell 8, mewnosoder –

‘(6) Ym mharagraff 2 o Atodlen 8 daw’r testun presennol yn is-baragraff (1) a mewnosoder –

“(2) In section 175 “expenditure” includes the use of resources through their consumption or reduction in value.”.

**Paul Davies**

**Gyda chefnogaeth / Supported by: Peter Black**

4

To insert a new section –

**[ ] Power to borrow**

(1) After section 175 of the National Health Service (Wales) Act 2006 insert –

**“175A Power to borrow**

A Local Health Board may borrow money –

- (a) for any purpose relevant to its functions under any enactment,  
or

- (b) for the purposes of the prudent management of its financial affairs.

**175B Control of borrowing**

- (1) A Local Health Board may not borrow money if doing so would result in a breach of—
  - (a) the limit for the time being determined by or for it under section 175C, or
  - (b) any limit for the time being applicable to it under section 175D.
- (2) The Welsh Ministers may, in relation to specific borrowing by a particular Local Health Board, by direction disapply subsection (1)(b), so far as relating to any limit for the time being applicable under section 175D(1).
- (3) A Local Health Board may not, without the consent of the Welsh Ministers, borrow otherwise than in sterling.
- (4) This section applies to borrowing under any power for the time being available to a Local Health Board under any enactment, whenever passed.

**175C Duty to determine affordable borrowing limit**

- (1) A Local Health Board shall determine and keep under review how much money it can afford to borrow.
- (2) The Welsh Ministers may by regulations make provision about the performance of the duty under subsection (1).
- (3) Regulations under subsection (2) may, in particular—
  - (a) make provision about—
    - (i) when a determination under subsection (1) is to be made,
    - (ii) how such a determination is to be made, and
    - (iii) the period for which such a determination is to be made;
  - (b) make provision about the monitoring of the amount determined under subsection (1);
  - (c) make provision about the factors to which regard may be had in making a determination under subsection (1) or in monitoring an amount determined under that subsection.
- (4) Regulations under subsection (2) may include provision requiring a person making a determination under subsection (1) to have regard to one or more specified codes of practice issued by the Welsh Ministers.
- (5) A Local Health Board's duty under subsection (1) shall be discharged only by the Local Health Board.
- (6) The power under subsection (4) is not to be read as limited to the



specification of an existing document.

**175D Imposition of borrowing limits**

- (1) The Welsh Ministers may for economic reasons by regulations set limits in relation to the borrowing of money by Local Health Boards.
- (2) The Welsh Ministers may by direction set limits in relation to the borrowing of money by a particular Local Health Board for the purpose of ensuring that the Local Health Board does not borrow more than it can afford.
- (3) Different limits may be set under subsection (1) or (2) in relation to different kinds of borrowing.
- (4) A Local Health Board subject to a limit under subsection (1) may transfer any headroom it has in relation to the limit to another Local Health Board subject to a corresponding limit.
- (5) The Welsh Ministers may by regulations make provision about the exercise of the right under subsection (4) and may, in particular, make provision about—
  - (a) the circumstances in which a Local Health Board is to be regarded as having headroom for the purpose of that subsection, and
  - (b) the amount of headroom which it has for those purposes.
- (6) Where an amount is transferred under subsection (4), sections 175A to 175F shall have effect—
  - (a) in relation to the transferor, as if the limit in relation to which the headroom exists were reduced by that amount, and
  - (b) in relation to the transferee, as if the corresponding limit to which it is subject were increased by that amount.

**175E Temporary borrowing**

- (1) Subject to subsection (2), any limit for the time being determined by or for a Local Health Board under section 175C, or applicable to it under section 175D, shall be treated for the purposes of sections 175A to 175F as increased by the amount of any payment which—
  - (a) is due to the Local Health Board in the period to which the limit relates, but
  - (b) has not yet been received by it.
- (2) In the case of a limit determined under section 175C, or set under section 175D(2), subsection (1) shall not apply to any payment whose delayed receipt was taken into account in arriving at the limit.

**175F Protection of lenders**

A person lending money to a Local Health Board shall not be bound to enquire whether the Local Health Board has power to borrow the

money and shall not be prejudiced by the absence of any such power.”.

I fewnosod adran newydd –

**[1] Pŵer i fenthyca**

Ar ôl adran 175 o Ddeddf Gwasanaeth Iechyd Gwladol (Cymru) 2006 mewnosoder –

**“175A Power to borrow**

A Local Health Board may borrow money –

- (a) for any purpose relevant to its functions under any enactment, or
- (b) for the purposes of the prudent management of its financial affairs.

**175B Control of borrowing**

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  - (a) the limit for the time being determined by or for it under section 175C, or
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- (2) The Welsh Ministers may, in relation to specific borrowing by a particular Local Health Board, by direction disapply subsection (1)(b), so far as relating to any limit for the time being applicable under section 175D(1).
- (3) A Local Health Board may not, without the consent of the Welsh Ministers, borrow otherwise than in sterling.
- (4) This section applies to borrowing under any power for the time being available to a Local Health Board under any enactment, whenever passed.

**175C Duty to determine affordable borrowing limit**

- (1) A Local Health Board shall determine and keep under review how much money it can afford to borrow.
- (2) The Welsh Ministers may by regulations make provision about the performance of the duty under subsection (1).
- (3) Regulations under subsection (2) may, in particular –
  - (a) make provision about –
    - (i) when a determination under subsection (1) is to be made,
    - (ii) how such a determination is to be made, and

- (iii) the period for which such a determination is to be made;
  - (b) make provision about the monitoring of the amount determined under subsection (1);
  - (c) make provision about the factors to which regard may be had in making a determination under subsection (1) or in monitoring an amount determined under that subsection.
- (4) Regulations under subsection (2) may include provision requiring a person making a determination under subsection (1) to have regard to one or more specified codes of practice issued by the Welsh Ministers.
- (5) A Local Health Board's duty under subsection (1) shall be discharged only by the Local Health Board.
- (6) The power under subsection (4) is not to be read as limited to the specification of an existing document.

**175D Imposition of borrowing limits**

- (1) The Welsh Ministers may for economic reasons by regulations set limits in relation to the borrowing of money by Local Health Boards.
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- (a) the circumstances in which a Local Health Board is to be regarded as having headroom for the purpose of that subsection, and
  - (b) the amount of headroom which it has for those purposes.
- (6) Where an amount is transferred under subsection (4), sections 175A to 175F shall have effect—
- (a) in relation to the transferor, as if the limit in relation to which the headroom exists were reduced by that amount, and
  - (b) in relation to the transferee, as if the corresponding limit to which it is subject were increased by that amount.

**175E Temporary borrowing**

- (1) Subject to subsection (2), any limit for the time being determined by or for a Local Health Board under section 175C, or applicable to it under section 175D, shall be treated for the purposes of sections 175A to 175F as increased by the amount of any payment which –
  - (a) is due to the Local Health Board in the period to which the limit relates, but
  - (b) has not yet been received by it.
- (2) In the case of a limit determined under section 175C, or set under section 175D(2), subsection (1) shall not apply to any payment whose delayed receipt was taken into account in arriving at the limit.

**175F Protection of lenders**

A person lending money to a Local Health Board shall not be bound to enquire whether the Local Health Board has power to borrow the money and shall not be prejudiced by the absence of any such power.’.

**Paul Davies**

**Gyda chefnogaeth / Supported by: Peter Black**

**5**

To insert a new section –

*‘Reporting*

**[ ] Report on operation of this Act**

- (1) The Welsh Ministers must report to Assembly on the operation of this Act.
- (2) The report must address, in particular, the effect of this Act on the financial duties of each Local Health Board in Wales, and their performance against the financial duty in section 175(1) of the National Health Service (Wales) Act 2006.
- (3) The first report shall review the period 1 April 2014 to 31 March 2017 and shall be reported to the Assembly before 31 March 2018.
- (4) Thereafter, reports shall be carried out on an annual basis, so that the second report is reported to the Assembly before 31 March 2019 (and so on).
- (5) Reports under this section shall be made in the form of both –
  - (a) oral reports to the Assembly, and
  - (b) a written report laid before the Assembly.’.

I fewnosod adran newydd –

*‘Cyflwyno Adroddiadau*

**[ ] Adroddiad am weithrediad y Ddeddf hon**

- (1) Rhaid i Weinidogion Cymru gyflwyno adroddiad i’r Cynulliad am weithrediad y

Ddeddf hon.

- (2) Rhaid i'r adroddiad gyfeirio, yn benodol, at effaith y Ddeddf hon ar ddyletswyddau ariannol pob Bwrdd Iechyd Lleol yng Nghymru, a'u perfformiad yn erbyn y ddyletswydd ariannol yn adran 175(1) o Ddeddf Gwasanaeth Iechyd Gwladol (Cymru) 2006.
- (3) Bydd yr adroddiad cyntaf yn adolygu'r cyfnod rhwng 1 Ebrill 2014 a 31 Mawrth 2017 ac mae i'w gyflwyno i'r Cynulliad cyn 31 Mawrth 2018.
- (4) Wedi hynny, bydd adroddiadau'n cael eu cyflwyno bob blwyddyn, fel y bo'r ail adroddiad yn cael ei gyflwyno i'r Cynulliad cyn 31 Mawrth 2019 (ac ati).
- (5) Bydd adroddiadau o dan yr adran hon yn cael eu gwneud ar ffurf—
  - (a) adroddiadau llafar i'r Cynulliad, a
  - (b) adroddiad ysgrifenedig a osodir gerbron y Cynulliad'.

**Paul Davies**

**Gyda chefnogaeth / Supported by: Peter Black**

**6**

To insert a new section—

**[ ] Reports, further provisions**

- (1) The Assembly may require the Welsh Ministers—
  - (a) to attend Assembly proceedings for the purpose of giving evidence, or
  - (b) to produce for the purposes of the Assembly (or a committee of the Assembly or a sub-committee of such a committee) documents in the possession, or under the control, of the person, concerning any matter relevant to the operation of this Act.
- (2) The powers conferred by subsection (1) may be exercised by and for the purposes of any committee of the Assembly, or any sub-committee of any committee of the Assembly.
- (3) The Welsh Ministers are not obliged under subsection (1) to answer any question or produce any document which they would be entitled to refuse to answer or produce in or for the purposes of proceedings in a court in England and Wales.'

I fewnosod adran newydd—

**[ ] Gwybodaeth, darpariaethau pellach**

- (1) Caiff y Cynulliad ei gwneud y ofynnol i Weinidogion Cymru—
  - (a) bod yn bresennol yn nhrafodion y Cynulliad er mwyn rhoi tystiolaeth, neu
  - (b) dangos at ddibenion y Cynulliad (neu bwyllgor y Cynulliad neu is-bwyllgor pwyllgor o'r fath) ddogfennau sydd ym meddiant, neu o dan reolaeth, y person, ynghylch unrhyw fater sy'n berthnasol i weithrediad y Ddeddf hon.
- (2) Caiff y pwerau a roddir gan is-adran (1) eu harfer gan ac at ddibenion unrhyw bwyllgor Cynulliad, neu unrhyw is-bwyllgor i unrhyw bwyllgor Cynulliad.
- (3) Nid yw Gweinidogion Cymru o dan is-adran (1) yn gorfod ateb unrhyw gwestiwn na

chyflwyno unrhyw ddogfen y byddai ganddynt hawl i wrthod ei ateb neu ei chyflwyno mewn, neu at ddibenion, trafodion mewn llys yn Lloegr a Chymru.’

**Paul Davies**

**Gyda chefnogaeth / Supported by: Peter Black**

7

To insert a new section –

**[ ] Definitions**

- (1) In this Act “the Assembly” means the National Assembly for Wales, and “Assembly proceedings” means any proceedings of –
- (a) the Assembly,
  - (b) committees of the Assembly, or
  - (c) sub-committees of such committees.’.

I fewnosod adran newydd –

**[ ] Diffiniadau**

Yn y Ddeddf hon, mae “y Cynulliad” yn golygu Cynulliad Cenedlaethol Cymru, ac mae “trafodion y Cynulliad” yn golygu unrhyw rai o drafodion –

- (a) y Cynulliad,
- (b) pwyllgorau’r Cynulliad, neu
- (c) is-bwyllgorau pwyllgorau o’r fath.’.



## GRWPIO GWELLIANNAU GROUPINGS OF AMENDMENTS

### Bil Cyllid y Gwasanaeth Iechyd Gwladol (Cymru) National Health Service Finance (Wales) Bill

#### Trafodion Cyfnod 2 ar 7 Tachwedd 2013 Stage 2 proceedings on 7 November 2013

Mae'r ddogfen hon yn nodi ym mha drefn y caiff y gwelliannau eu trafod ac unrhyw wybodaeth berthnasol yn ymwneud â'r gweithdrefnau sy'n berthnasol i bob grŵp. Nid yw'r rhestr hon yn disodli'r rhestr o welliannau wedi'u didoli, sy'n nodi'r gwelliannau yn y drefn y cânt eu gwaredu. Dylai'r rhestr hon gael ei darllen ar y cyd â'r rhestr o welliannau wedi'u didoli.

This document provides the order in which amendments will be debated and any relevant procedural information relevant to each group. This list does not replace the marshalled list, which sets out the amendments in the order in which they will be disposed of. This list should be read in conjunction with the marshalled list.

#### **1. Dyletswyddau ariannol Byrddau Iechyd Lleol**

##### **Financial Duties of Local Health Boards**

8, 3, 2

#### **2. Dyletswyddau Cynllunio Byrddau Iechyd Lleol a Gweinidogion Cymru.**

##### **Planning Duties of Local Health Boards and Welsh Ministers**

1, 10

**3. Diffiniadau**

**Definitions**

9, 7

**4. Pŵer i fenthycu**

**Power to Borrow**

4

**5. Cyflwyno Adroddiadau**

**Reporting**

5, 6



## Finance Committee

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Meeting Venue: Committee Room 2 – Senedd

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Meeting date: Wednesday, 23 October 2013

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Meeting time: 09:30 – 12:00

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



This meeting can be viewed on Senedd TV at:

[http://www.senedd.tv/archiveplayer.jsf?v=en\\_300000\\_23\\_10\\_2013&t=0&l=en](http://www.senedd.tv/archiveplayer.jsf?v=en_300000_23_10_2013&t=0&l=en)

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### Concise Minutes:

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#### Assembly Members:

Jocelyn Davies (Chair)  
Peter Black  
Christine Chapman  
Paul Davies  
Mike Hedges  
Ann Jones  
Julie Morgan  
Simon Thomas

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#### Witnesses:

Mark Drakeford, Minister for Health and Social Services  
Jane Hutt, Minister for Finance  
Jeff Andrews, Welsh Government  
Marc Osland, Welsh Government  
Jo Salway, Welsh Government  
Alun Lloyd, Welsh Government

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#### Committee Staff:

Gareth Price (Clerk)  
Fay Buckle (Clerk)  
Claire Griffiths (Deputy Clerk)

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View the [meeting transcript](#).

## **1 Introductions, apologies and substitutions**

1.1 The Chair welcomed Members and members of the public to the meeting.

## **2 National Health Service Finance (Wales) Bill**

2.1 The Committee received a briefing from Mark Drakeford AM, Minister for Health and Social Services on the National Health Service Finance (Wales) Bill.

## **3 Scrutiny of the Welsh Government Draft Budget 2014–15: Evidence from the Welsh Government**

3.1 The Committee scrutinised the Minister for Finance on the Welsh Government's draft budget for 2014-15.

### **Action Points**

The Minister of Finance to write to the Committee in due course, with clarification on financial transaction arrangements, when the information is available from HM Treasury.

The Minister of Finance agreed to send a note on the overall level of debt in relation to innovative financing projects.

The Minister of Finance agreed to send a note on the non-dividend investment vehicle being used for the dualling of the A465.

In their post-meeting discussions the Committee also asked if they could receive the evidence on which decisions were made regarding the level of support for the Council tax reduction scheme, as at time of publication we were only half-way through 2013-14.

## **4 Welsh Government Draft Budget 2014–2015**

4.1 The Committee noted the paper.

## **5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

5.1 The motion was agreed.

## **6 Scrutiny of Welsh Government Draft Budget 2014–15: Review of Evidence Received**

6.1 Members discussed the evidence received on the Welsh Government's draft budget.

## **7 National Health Service Finance (Wales) Bill: Stage 2 Order of Consideration**

7.1 Members agreed that the Committee considers the amendments as per the default order of consideration.



# Finance Committee

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Meeting Venue: Committee Room 2 – Senedd

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Meeting date: Thursday, 17 October 2013

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Meeting time: 08:30 – 12:45

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



This meeting can be viewed on Senedd TV at:

[http://www.senedd.tv/archiveplayer.jsf?v=en\\_700000\\_17\\_10\\_2013&t=0&l=en](http://www.senedd.tv/archiveplayer.jsf?v=en_700000_17_10_2013&t=0&l=en)

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## Concise Minutes:

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### Assembly Members:

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Jocelyn Davies (Chair)  
Peter Black  
Christine Chapman  
Paul Davies  
Mike Hedges  
Ann Jones  
Julie Morgan  
Simon Thomas

### Witnesses:

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Alun Davies, Minister for Natural Resources and Food  
Adam Cairns, Betsi Cadwaldr University Health Board  
Gareth Coles, Wales Council for Voluntary Action  
Julia Hill, Welsh Government  
Anthony Hunt  
Chris Jones, Care and Repair  
Geoff Lang, Betsi Cadwaladr University Health Board  
Fiona Leadbitter, Welsh Government  
Jon Rae, WLGA  
David Robinson, Community Links  
Vanessa Young, Director of Resources, WLGA

### Committee Staff:

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Gareth Price (Clerk)

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## TRANSCRIPT

View the [meeting transcript](#).

### **1 Introductions, apologies and substitutions**

1.1 The Chair welcomed Members and members of the public to the meeting.

### **2 Papers to note**

2.1 The papers were noted.

### **3 The Control of Horses (Wales) Bill**

3.1 The Committee received a briefing from Alun Davies AM, Minister for Natural Resources and Food on the Control of Horses (Wales) Bill.

3.2 The Committee agreed to write to the Minister setting out the Committee's reservations on the process.

### **4 Scrutiny of the Welsh Government Draft Budget 2014–15 – Evidence from WCVA, Community Links and Care and Repair**

4.1 The Committee took evidence from Gareth Coles, WCVA, Chris Jones, Care and Repair and David Robinson, Community Links on the Welsh Government's draft budget for 2014-15.

4.2 Chris Jones (Care and Repair) agreed to send a note on how the calculation in the Rapid Response Adaptations programme was reached.

4.3 Gareth Coles (WCVA) agreed to send a note on examples of preventative spend projects in the third sector.

4.4 David Robinson (Community Links) agreed to send details of reports that have looked at preventative spend projects in the third sector.

### **5 Scrutiny of the Welsh Government Draft Budget 2014–15 – Evidence from WLGA and Bridgend CBC**

5.1 The Committee took evidence from Councillor Anthony Hunt, Finance Cabinet Member, Torfaen County Council and WLGA Deputy Spokesperson on Finance, Ness Young, Finance Director, Bridgend County Borough Council and Jon Rae, Director of Resources, Welsh Local Government Association on the Welsh Government's draft budget for 2014-15.

5.2 The WLGA agreed to send a note to Committee on examples of best practice in relation to co-production.

## **6 Scrutiny of the Welsh Government Draft Budget 2014–15 – Evidence from Local Health Boards**

6.1 The Committee took evidence from Geoff Lang, Executive Director of Primary Care, Community and Mental Health Services, Betsi Cadwaladr University Health Board and Adam Cairns, Chief Executive, Cardiff and Vale University Health Board on the Welsh Government's draft budget for 2014-15.

## **7 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

7.1 The motion was agreed.

## **8 Scrutiny of the Welsh Government Draft Budget 2014–15: Consideration of Evidence Received**

8.1 Members considered the evidence received and discussed areas they wished to discuss with the Minister of Finance on the Welsh Government's draft budget 2014-15 when she returns to Committee on 23 October.

# Finance Committee

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Meeting Venue: Committee Room 2 – Senedd

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Meeting date: Wednesday, 9 October 2013

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Meeting time: 10:00 – 11:27

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



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[http://www.senedd.tv/archiveplayer.jsf?v=en\\_300000\\_09\\_10\\_2013&t=0&l=en](http://www.senedd.tv/archiveplayer.jsf?v=en_300000_09_10_2013&t=0&l=en)

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## Concise Minutes:

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### Assembly Members:

Jocelyn Davies (Chair)  
Peter Black  
Christine Chapman  
Paul Davies  
Mike Hedges  
Ann Jones  
Julie Morgan  
Simon Thomas

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### Witnesses:

Jane Hutt, Minister for Finance  
Jeff Andrews, Welsh Government  
Jo Salway, Welsh Government

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### Committee Staff:

Gareth Price (Clerk)  
Meriel Singleton (Second Clerk)  
Claire Griffiths (Deputy Clerk)

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## TRANSCRIPT

View the [meeting transcript](#).

### 1 Introductions, apologies and substitutions

1.1 The Chair welcomed Simon Thomas AM to his first meeting of the Committee.

## **2 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

2.1 The Motion was agreed.

## **3 Consideration of draft report on the Assembly Commission draft budget 2014–15**

3.1 Peter Black AM absented himself for this item due to his role as a Member of the Assembly Commission.

3.2 The Committee considered and agreed the draft report.

## **4 Consideration of draft report on the Public Service Ombudsman for Wales draft estimates 2014–15**

4.1 The Committee considered and agreed the draft report.

## **5 Inquiry into Higher Education Funding: consideration of oral witnesses**

5.1 The Committee considered the paper and agreed the proposed schedule of witnesses with the addition of the Chief Scientific Adviser.

## **6 Scrutiny of the Welsh Government's draft budget proposals for 2014–15 – Evidence from the Welsh Government**

6.1 The Committee scrutinised the Minister for Finance on the Welsh Government's draft budget for 2014-15.

### **Action points:**

The Minister for Finance agreed to write to Committee with clarification on how the proposed HS2 project could affect Barnett consequentials if it proceeds.

The Minister for Finance agreed to clarify the level of income anticipated from Non-Domestic rates.

The Minister for Finance agreed to share more information on the where Government caps the fees that can be charged by local authorities.

The Minister for Finance agreed to forward monitoring returns on capital expenditure for schools.

The Minister for Finance agreed to send a note on the budget allocated to develop the National Adoption Agency during this financial year.

The Minister for Finance agreed to send a note and a number for what efficiencies the Welsh Government is making within its central administration.

The Minister for Finance agreed to provide a note on special treatment given to preventative spending.



The Minister for Finance agreed to send clarification on why there has been a cut in the Welsh language budget without the promised assessment of the impact of Welsh Government spending as promised by the First Minister in February 2013.

## **7 Papers to note**

7.1 The papers were noted.

## **8 Welsh Government Draft Budget 2014–2015: Review of evidence received**

8.1 The Committee considered the evidence received from the Minister for Finance today and agreed to write to her seeking clarification on a number of issues raised during the session.

# Agenda Item 3a

Mark Drakeford AC / AM  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref LF/MD/1030/13

Jocelyn Davies AM  
Chair, Finance Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

29<sup>th</sup> October 2013

Dear Jocelyn

## National Health Service Finance (Wales) Bill

At the Finance Committee on the 23<sup>rd</sup> of October I agreed to send a letter to both the Chair of the Finance Committee and the Chair of the Health and Social Care Committee.

In advance of my appearance at the Finance Committee meeting on the 7<sup>th</sup> of November 2013, I thought it would be helpful to respond to some of the key issues that have already been raised in plenary on proposed amendments to the Bill, scrutinising LHB plans and transparency.

At the Finance Committee on the 23<sup>rd</sup> of October, I indicated that the Government intends to lay two amendments, one to deal with the matter of tolerances raised by Members during Stage 1 and another amendment of a technical nature on the definition of expenditure. The proposed tolerance amendment supplements the main purpose of the Bill to support planned financial flexibility, by addressing unplanned or year end, financial flexibility.

In respect of borrowing powers, as I mentioned in Committee, the decision to deliver the Bill through a fast track process was supported by the fact that there had been previous consideration of the policy scope to introduce greater financial flexibility. This included LHBs, stakeholders within the NHS and a wider stakeholder network. Financial flexibility for LHBs has been recommended by the Public Accounts Committee, the Health and Social Services Committee and the Finance Committee. The Wales Audit Office and LHBs have had a level of engagement in developing the Bill, but there has been no formal consultation.

An amendment to the Bill to include borrowing powers would extend the policy scope (and potentially be inadmissible in accordance with the Assembly's Standing Order 26.61) which may undermine the basis for this Bill proceeding by fast track. While I am open to looking at proposals for borrowing powers for LHBs, to align LHBs with NHS Trusts, the use of borrowing powers should be considered as part of potential future health legislation in the next Assembly Term.

I am aware, and mindful, of the points which have been made by Members concerning the level of scrutiny of three year budgets, were these to be available to Local Health Boards as a result of this Bill. I think it is important to emphasise that LHBs will be required to develop their Integrated Medium Term Plans through robust and open procedures. This will culminate in a paper for approval during the public part of a full Board meeting. That paper will also have to be published on the Board's website and, as a result, all the individual Board proposals will be available to Assembly Members, and others, for scrutiny. As you will be aware, any flexibility which might be afforded as a result of the Bill will have to be agreed by my Department. I will make a statement to the National Assembly on LHB plans, once they have been through the cycle of Welsh Government scrutiny. That statement will set out the extent to which flexibility is to be afforded at individual LHB level. During the early period of any new regime, it would also be my intention to publish regular information derived from the internal management arrangements which now exist to monitor LHB performance, and which were positively noted in the most recent review of NHS Wales finances, conducted by the Wales Audit Office. That information will allow Members, and others, to better scrutinise the new system, as it becomes established. It is, of course, for the parliamentary service and its Committees to make whatever arrangements are felt necessary and practical for the oversight of any aspect of the Welsh Government. However, should additional scrutiny be undertaken, as a result of this Bill, I would look to make senior officials of my Department available to assist in that process. Without prejudice to the underlying position, in which Local Health Boards are accountable to me, and I, as Minister for Health and Social Services, am accountable to the National Assembly, I would also look to see senior Local Health Board officers engaged in scrutiny arrangements, where appropriate.

I trust that you will find the information in this letter of benefit, and I look forward to discussing the issues raised with you in more detail on during Stage 2.

*Best wishes  
Mark*

**Mark Drakeford AC / AM**  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services

# Agenda Item 3b

Huw Lewis AC / AM  
Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref LF/HL/0945/13

Jocelyn Davies AM  
Committee Chair  
Finance Committee  
Cardiff Bay  
CF99 1NA

22 October 2013

## Education (Wales) Bill

Thank you for your letter of 27 September, following the Finance Committee's consideration of the Education (Wales) Bill on 25 September.

As requested, please find attached a written evidence paper for the Finance Committee's scrutiny with further information on the financial costs and implications of widening the registration and regulation of education practitioners.

I trust that the Committee will find this paper helpful.



**Huw Lewis AC / AM**  
Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills

Finance Committee

Title: Education {Wales} Bill 2013

Purpose

To provide an evidence paper for the Finance Committee with further information on the financial costs and implications of widening the registration and regulation of education practitioners.

The General Teaching Council for Wales (GTCW) is self financing in respect of its core functions and raises its funds through an annual registration fee from teachers. The income generated for the year ending March 2012 for the registration fee was £1,706,000.

Options 2 and 3 of the RIA follow the principle that the Council would continue to be self financing in respect of its core functions and would raise its funds through an annual registration fee from those required to register. It also assumes that the registration fee remains at £45 per person.

Option 2: Registration of school based education practitioners.

This would require 14,900 teaching assistants to register (figures based on ASHE survey 2012<sup>1</sup>). Assuming that the registration fee remains at £45 per person and the income generated for teachers remains at £1,706,000 this would generate a total core income of £2,376,500.

Option 3: Registration of the wider education workforce.

This would require 72,500 people in the wider education workforce to register (figures based on ASHE survey 2012). Assuming that the registration fee remains at £45 per person and the income generated for teachers remains at £1,706,000 this would generate a total core income of £3,258,500.

The RIA also highlights the funding the GTCW currently receives by way of grants from the Welsh Government. This is to undertake specific work on our behalf and should not be confused with the income the GTCW generates itself through the registration fee.

I would also like to take this opportunity to highlight an error at point 307 of the Explanatory Memorandum. The paragraph refers to a cost of £15,000 for an application for registration case. This is incorrect and should read £1,500.

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<sup>1</sup> The Annual Survey of Hours and Earnings (ASHE) published by the Office for National Statistics provides information about the levels, distribution and make-up of earnings and paid hours worked for employees within industries, occupations and regions. It can be accessed here: <http://www.ons.gov.uk/ons/rel/ashes/annual-survey-of-hours-and-earnings/2012-provisional-results/stb-ashes-statistical-bulletin-2012.html>

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

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