

Russell George MS
Chair, Health and Social Care Committee

2 May 2023

Dear Russell,

Scrutiny of Health Boards

Thank you for your [letter](#) dated 24 April.

I very much welcome you bringing these important issues to our attention. As recipients of substantial amounts of public funding, the robust scrutiny of health boards by the Senedd is essential to ensure value for money and appropriate use of public resources.

As you are aware, these are matters which the Finance Committee has considered previously, most recently through our scrutiny of the Welsh Government's Second Supplementary Budget 2022-23. Our [report](#), published in March, made the following recommendation in relation to the financial performance of health boards, which will be of interest to your Committee:

“Recommendation 5. The Committee recommends that:



- *measures are taken by the Welsh Government to ensure that each Local Health Board in Wales does not exceed its funding over the rolling three-year periods, as required by the National Health Service Finance (Wales) Act 2014; and*
- *where Local Health Boards are overspending in a single year, these should be funded from within the existing health and social services departmental budget.”*

In her [response](#), the Minister for Finance and Local Government stated that:



“The National Health Service Finance (Wales) Act 2014 includes the responsibility for each Local Health Board to breakeven over a three-year accounting period and prepare plans to do so. The Minister for Health and Social Services and her officials regularly monitor performance against this



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duty and take escalation measures where necessary. Performance against this responsibility is reported as part of the audited accounts of each body.

Welsh Government's expectation is that wherever possible all MEGs meet any financial pressures arising in year, in the first instance, from within their existing budgets. Where this is not possible, or where other revisions are made to budgets, we will publish changes in line with our agreed process for supplementary budgets."

In addition to the strategic approach adopted by the Committee in relation to the scrutiny of the Welsh Government's budgetary proposals, it is a well-established principle that individual committees continue to scrutinise financial matters that fall within their remits.

This has worked effectively during the Sixth Senedd to date, enabling policy committees to delve into specific areas whilst allowing the Finance Committee to take a high level approach and consider the Welsh Government's budgetary proposals as a whole.

We will therefore continue to pursue issues of strategic importance such as these as part of our work programme, particularly during our scrutiny of the Welsh Government's Draft Budget and Supplementary Budget proposals. I trust you will also undertake scrutiny of health boards, as well as other key financial matters within your remit, when the time arises.

Yours sincerely



Peredur Owen Griffiths MS
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

