

Mr Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Date: 30 April 2014
Our ref: HVT/2125/mjb
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Dear Darren,

HEALTH FINANCES 2012-13 AND BEYOND

The clerk's letter of 16 April requested my advice on the Welsh Government's response to the Committee's report on *Health Finances 2012-13 and beyond*. The Welsh Government's response is positive and accepts in full all of the Committee's recommendations.

Overall, I consider the Welsh Government's response to be satisfactory. Many of the responses set out the Welsh Government's intentions in areas where action is in progress, such as the approval and implementation of NHS bodies' three year plans. As I have indicated previously to the Committee, I am taking forward further work to examine health finances and performance across 2013-14 and intend to publish my findings in early autumn 2014. That work will consider many of the issues set out in the Committee's recommendations. If my work reveals concerns about the Welsh Government's response, I will raise them in the report.

There is one area where I feel that the Welsh Government has not responded adequately to the Committee's recommendation. In its final recommendation, the Committee requested that the Welsh Government provides the cost of pay protection in NHS Wales. My reading of the recommendation is that the Committee wanted the Welsh Government to provide it with a figure, or figures. Instead, the Welsh Government has provided a description of the state of negotiations between NHS employers and the trades unions. While the response is helpful in providing context for the current position, it does not, in my view, provide the Committee with the information it wanted about the cost of pay protection.

The Committee may wish to write to the Accounting Officer to again request the information it is seeking on the cost of pay protection. However, given that I will be looking at work-force savings as part of my review of financial and service performance in 2013-14, I could provide this information to the Committee through my report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Huw Vaughan Thomas'.

HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES