



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cyllid **The Finance Committee**

Dydd Mercher, 9 Hydref 2013
Wednesday, 9 October 2013

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir
trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In
addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol **Committee members in attendance**

Peter Black

Democratiaid Rhyddfrydol Cymru
Welsh Liberal Democrats

Christine Chapman	Llafur Labour
Jocelyn Davies	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Ann Jones	Llafur Labour
Julie Morgan	Llafur Labour
Simon Thomas	Plaid Cymru The Party of Wales

**Eraill yn bresennol
Others in attendance**

Jeff Andrews	Ymgynghorydd Polisi Arbenigol, Llywodraeth Cymru Specialist Policy Adviser, Welsh Government
Jane Hutt	Aelod Cynulliad, Llafur (y Gweinidog Cyllid) Assembly Member, Labour (The Minister for Finance)
Jo Salway	Dirprwy Cyfarwyddwr, Cyllido Strategol, Llywodraeth Cymru Deputy Director, Strategic Budgeting, Welsh Government

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Claire Griffiths	Dirprwy Glerc Deputy Clerk
Gareth Price	Clerc Clerk
Angela Scott	Cynghorydd Arbenigol Expert Adviser

*Dechreuodd y cyfarfod am 09:00.
The meeting began at 09:00.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions**

[1] **Jocelyn Davies:** Welcome, everyone, to this meeting of the Finance Committee. May I remind you to turn off your mobile phones? We are not expecting a fire drill, so if you hear the alarm, please follow the direction of the ushers. We have no apologies, and I know that some Members are joining us shortly. I would like to welcome Simon Thomas, who has recently joined the committee: welcome to you, Simon.

[2] Originally, we were to have scrutiny of the Minister in relation to the draft budget. Unfortunately, she cannot meet with us until 10:00, so I have reordered the agenda. We will go into private session now so that we can consider draft reports that we were going to consider later this morning, and then we will reconvene in public at 10:00.

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod**
**Motion under Standing Order 17.42 to Resolve to Exclude the Public from the
Meeting**

[3] **Jocelyn Davies:** I move that

the committee resolves to exclude the public from the meeting for items 3, 4 and 5 in accordance with Standing Order 17.42(vi).

[4] I see that all Members are content.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 09:01.
The public part of the meeting ended at 09:01.*

*Ailymgynullodd y pwyllgor yn gyhoeddus am 09:59.
The committee reconvened in public at 09:59.*

**Craffu ar Gynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2014-15—
Tystiolaeth gan Lywodraeth Cymru**
**Scrutiny of the Welsh Government's Draft Budget Proposals for 2014-15—
Evidence from the Welsh Government**

[5] **Jocelyn Davies:** Welcome back to this meeting of the Finance Committee. We are very grateful that we have the Minister and her officials with us this morning. Minister, would you like to introduce yourself for the record and then perhaps give us your introductory statement? We will then move to questions.

[6] **The Minister for Finance (Jane Hutt):** Thank you, Chair. I am very pleased to be here, and would like to introduce Jo Salway who is head of strategic budgeting, and Jeff Andrews, a specialist adviser.

10:00

[7] I will take a couple of minutes to open our discussions today in Finance Committee. I am not going to repeat what I said in the Chamber yesterday, but I want to draw your attention to the written capital statement that I have issued this morning. Obviously, it was all in the budget that I presented yesterday, but we felt that it needed more time and airing for the additional capital investment package. The written statement lays it out very clearly, but it is additional capital investment of £617.5 million, and it is allocated to key infrastructure projects in Wales in line with the Wales infrastructure plan. It includes £65.5 million this year, so that will be a big boost to the economy, but over the next three years we estimate that it will create or support more than 11,000 jobs in Wales, and it includes additional funding for housing, transport and economic development. That is obviously all laid out in my written statement and contained in the budget.

[8] I also wanted to mention that, as you may be aware, a communiqué has this morning come from the council for economic renewal on business in Wales, headlined 'Act now on borrowing and stamp duty for Wales'. I would draw Members' attention to that, because it is a very powerful statement. In fact, it is actually quite well linked to our capital investment planning, because we are still very limited by not having borrowing powers and by not having

devolved powers over stamp duty. There is quite a big announcement today on housing in terms of moving forward with Help to Buy, for example, which is going to be good for house builders and good for first-time buyers.

[9] Finally, I am sure that invest-to-save will arise in scrutiny in the coming weeks. To clarify, invest-to-save is very important to incentivise change, and there has been a lot of talk over the last 24 hours about the importance of change, innovation and efficiency for the health service, local government and across the public sector. You see it very much in the work that you have done as a Finance Committee on the way that we can introduce preventative measures. So, the budget for 2014-15 is now over £22.6 million, with £19 million available for new investment, and the rest is for existing commitments. So, invest-to-save is important. Finally, the whole budget has been presented under three cross-cutting themes: growth and jobs, educational attainment and supporting children, families and deprived communities. So, you will see in the budget narrative that that is how we have tried to address this, in a more structured way across the budget. I hope that that will help the scrutiny process as we go forward in the next few weeks.

[10] **Jocelyn Davies:** Minister, thanks for drawing our attention to those specific things. We are going to start by focusing on income, and then we will move on to spending.

[11] **Mike Hedges:** On the Barnett consequentials, I have two questions, one on capital and one on revenue. On capital, what Barnett consequential, if any, are you expecting from HS2 and other major infrastructure developments taking place in England? On revenue, what expectations do you have of additional revenue from Barnett consequentials, for example, if the Westminster Government decides that it is going to protect council tax payers for a third consecutive year?

[12] **Jane Hutt:** On the issues around consequentials, particularly relating to HS2, we still obviously need clarification from the UK Government, but we understand that, in terms of consequentials for 2014-15 and 2015-16, we have to take that into account in the comparability factor, with Department for Transport programmes, of 73.1%. So, we do anticipate consequentials in relation to this. I do not think that there is any more clarification that I can give at this stage. We only knew in the summer that there was going to be a DfT allocation, because it was not clear how it would be funded—if HS2 goes ahead, of course.

[13] On the issues in terms of revenue, particularly in terms of the response and the points that we are making to the UK Government, could you repeat the question again?

[14] **Jocelyn Davies:** It was in relation to the council tax freeze.

[15] **Mike Hedges:** That is one example.

[16] **Jocelyn Davies:** It was on the council tax freeze, but the question was about revenue generally. I suppose that you could put the free school meals in that category. That would be revenue, would it not?

[17] **Mike Hedges:** Yes. The question was about any other revenue implications of policies that have been announced—are they in already, or are you expecting them, and what will you do with them if you have them?

[18] **Jane Hutt:** Well, you will know that, in terms of revenue, we had reductions of over £80 million as a result of the negative impact of the Barnett formula in terms of the consequences for 2014-15, but the overall increase in revenue budgets is accounted for mainly by the devolution of responsibility for council tax benefit. So, that comes in as a plus in terms of that increase.

[19] There is great uncertainty about the free school meals, so I am glad that you have asked that particular topical question about how that would be funded at this point. We are seeking clarification and we think that it will probably be in the Chancellor's autumn statement that we will hear whether we will get a consequential. The way in which we handle consequentials, as you know, is that we always add them to our reserves and then we decide how we are going to allocate them. The difficulty, as you know, is that we could have a negative consequential and what this means in terms of whether it will be extra money for us is difficult to assess.

[20] **Jocelyn Davies:** Paul, you wanted to come in on this point.

[21] **Paul Davies:** Yes. Minister, may I seek clarification on HS2 Barnett consequentials? Have you had any specific discussions with the UK Government on HS2 consequentials?

[22] **Jane Hutt:** In recent times, officials have had discussions about this, particularly in relation to the July announcement in terms of how HS2 would be funded. However, we are still exploring what it would mean for us, and we anticipate that it will be handled in the next UK Government spending review. So, it is not for this spending review in terms of future prospects for consequentials.

[23] **Paul Davies:** But those discussions are ongoing, are they?

[24] **Jane Hutt:** Yes, and they are very important for us, because people, such as yourselves, quite rightly want to know what this could mean for Wales. Chair, I am sure that there will be a number of points like this that I may need to come back to you on in terms of further clarification.

[25] **Jocelyn Davies:** I think it would be fair to say that we sometimes see an announcement by the UK of extra money for something or a policy announcement, but it is not automatic: even if we can say, 'Oh, that is a devolved area', it is not automatic that you can do a calculation that we will get a proportion of that in a Barnett consequential. It is much more complicated. Is it a matter of negotiation and discussion, or are you just told?

[26] **Jane Hutt:** It is clarification, more than anything else, to make sure that we know where we are.

[27] **Jocelyn Davies:** Okay. Julie, you wanted to come in on this point.

[28] **Julie Morgan:** Yes, I wanted to follow up the point about free school meals. You said that this is very uncertain; does that mean that nobody has said anything to you about it at all, or that they have not responded to your queries?

[29] **Jane Hutt:** When it was announced by the Deputy Prime Minister earlier in the autumn, we did get an indication that there could be a consequential, but that was not at a very official level, I have to say, and I think that that is the point. We really now need to get official clarification on this point and then see what this means in terms of the rest of the autumn statement, because the rest of the autumn statement could include negative consequentials, and we then need to make policy decisions.

[30] **Julie Morgan:** I believe that the free school meals are to start fairly soon, are they not?

[31] **Simon Thomas:** It is post 2015.

[32] **Julie Morgan:** Oh, is it?

[33] **Ms Salway:** The key point is the way in which the UK Government funds it. If it raises its spending level, then it is new money and there is a high chance that we will get a full consequential. If they do what has been the trend in recent budgets and autumn statements and actually cut spending somewhere else, then, of course, first and foremost, there is a potential reduction, which could well net it off. If there is also a tax allowance for married couples in the mix, then clearly you are already looking at a package of announcements and a package of funding. Until the UK Government has worked that through—which we understand will be in time for the autumn statement—it is very hard to speculate on what it will mean for Wales.

[34] **Jocelyn Davies:** Thank you. Minister, you know that the Scotland Act 2012 gives more fiscal flexibility to the Scottish Government and Parliament. There may very well be adjustments in the Scottish block grant as a result of that, so obviously there must be an adjustment mechanism. Is any adjustment to the Scottish block grant likely to affect the Welsh block grant? Have you given this any thought at all?

[35] **Jane Hutt:** Yes, clearly, we have looked at this, mainly in terms of what opportunities we are going to have, particularly in responding to the Silk commission recommendations. In terms of those changes from the Scotland Act, there will be no impact on the Welsh block grant. I understand that those changes have not been finally resolved, in terms of the impact on Scotland, but they will not have any impact on Wales. As we move forward, hopefully with the Silk commission recommendations, we would have to discuss impacts on the Welsh block grant when we get those powers.

[36] **Jocelyn Davies:** Okay. Simon, shall we come to the taxation levers that are available?

[37] **Simon Thomas:** Diolch yn fawr. Gofynnaf fy nghwestiynau yn Gymraeg. Wrth edrych ar y gyllideb, mae posibilid hefyd o godi arian neu o leiaf amrywio'r arian sydd yn dod i mewn i'r Llywodraeth fel incwm. Un enghraifft yw'r trethi annomestig. Cafwyd cyhoeddiad wythnos diwethaf gan y Gweinidog ynglŷn â dyfodol trethi busnes i bob pwrpas. Rydych chi wedi dweud yn y gorffennol bod y Llywodraeth yn gweld trethi busnes fel rhyw fath o bolisi y gallwch ei ddefnyddio i ymyrryd â thwf yn yr economi. A yw'r gyllideb yn ddigon cadarn i ganiatáu newid yn y ffordd hon o hyn ymlaen—megis y parthau menter neu beth bynnag? A ydych chi'n mynd i ddefnyddio trethi busnes fel polisi?

Simon Thomas: Thank you very much. I will ask my questions in Welsh. Looking at the budget, there is a possibility also of raising money or adjusting the money that is coming in as income to the Government. One example of that would be non-domestic rates. There was an announcement last week by the Minister on the future of business rates effectively. You have said in the past that you, as a Government, see business rates as some sort of policy that you can use to intervene in the growth of the economy. Is the budget therefore robust enough to allow a change of this type from now on—for example, enterprise zones or whatever? Are you going to use business rates as a policy?

[38] **Jane Hutt:** I think that it is important to look back at the announcement that was made by Edwina Hart in terms of business rates, because, of course, she did announce two new relief schemes last week with my support. Those will particularly target the occupation of empty properties and encourage development. Clearly, we have not yet got to the announcement of the provisional local government settlement, which will be next week, with the consultation on that during the autumn. I think that we are very clear that we are robust in terms of our assumptions and that we are in a good place in terms of raising funds. Hopefully that is a clarification that we are already making decisions and taking responsibility in terms

of business rates.

[39] **Simon Thomas:** A ydych chi'n disgwyl rhannu'r baich, felly, o ran y cyhoeddiad polisi yr wythnos diwethaf, gyda llywodraeth leol?
Simon Thomas: Are you therefore expecting to share the burden, in terms of the policy announcement last week, with local government?

[40] **Jane Hutt:** I think that this is something that we have to work through with local authorities and the Minister for Local Government and Government Business is working with the Minister for the Economy, Science and Transport to consider the impact of this, but we think that this is going to be an opportunity not a burden.

[41] **Jocelyn Davies:** May I ask, before Simon comes back in, what level of income in the draft budget do you assume will come from non-domestic rates?

10:15

[42] **Jane Hutt:** I think I will have to clarify that point, and maybe the Minister for Local Government and Government Business will do so next week anyway, but could I come back to you on the level of income from the business rates?

[43] **Jocelyn Davies:** Yes. Simon, back to you then.

[44] **Simon Thomas:** Diolch. Jest i symud ymlaen at drethi eraill felly, mae llywodraeth leol eisoes y bore yma wedi gwingo ynglŷn â'r cyhoeddiad o ran y gyllideb ddoe. Mae'n amlwg bod mwy i'w drafod, ond, i droi at drethi tai, sef y dreth gyngor, roedd anhawster y llynedd gyda budd-dal y dreth gyngor. Oes ateb yn y gyllideb hon ar gyfer llywodraeth leol, neu ydych chi'n disgwyl rhannu'r baich eto rhwng llywodraeth leol a Llywodraeth ganolog o ran budd-dal y dreth gyngor?
Simon Thomas: Thank you. Just to move on to other rates, local government has already responded this morning about the announcement relating to the budget yesterday. It is obvious that more discussion is needed, but, turning to housing tax, namely council tax, there was difficulty last year in relation to council tax benefit. Is there provision in this budget for local government or do you expect to share the burden again between local government and central Government on council tax benefit?

[45] **Jane Hutt:** Clearly, the Minister for local government has been working on this with local government. Indeed, because we had the sunset clause, it was very important that we worked with you, through the Assembly, on the issues of how we prepare for next year. Local government, with Welsh Government support, is going to look to manage new responsibilities and new burdens. However, again, it will be for the Minister for local government to update Members on this.

[46] **Simon Thomas:** So, we should await a more detailed statement on the budget.

[47] **Jane Hutt:** I would think so.

[48] **Simon Thomas:** Gofynnaf fy nghwestiwn olaf, felly. Y ffordd arall yr ydych yn cael incwm ychwanegol, drwy lywodraeth leol yn benodol, yw drwy daliadau. Wrth gyhoeddi'r gyllideb, Weinidog, roeddech yn glir iawn nad oeddech yn bwriadu codi tâl am bresgripsiwn neu newid yr hawl i deithio am ddim ar y
Simon Thomas: I will ask my last question, therefore. The other way that you obtain additional income, through local government specifically, is through fees. In announcing the budget, Minister, you were very clear that you did not intend to charge for prescriptions or to change the right to free bus travel and so on; you were very clear in that regard.

bysys a phethau felly; roeddech yn glir iawn yn hynny o beth. Fodd bynnag, mae taliadau eraill, megis y rheini ar gyfer gofal cymdeithasol, ac yn ei thystiolaeth i'r pwyllgor, roedd Cymdeithas Llywodraeth Leol Cymru yn gofyn am asesiad o'r cap £50 yr wythnos sydd mewn lle ar gyfer taliadau gofal cymdeithasol. Ydych chi felly'n bwriadu llacio ar y rheolau, fel bod modd i lywodraeth leol godi mwy o arian a chyfrannu at y diffyg amlwg sydd yn y gyllideb ar ei chyfer oherwydd y toriadau mwy eang?

However, there are other fees, such as those for social care, and in its evidence to the committee, the Welsh Local Government Association was asking for an assessment of the cap of £50 a week that is in place at the moment for social care fees. Do you therefore intend to relax the rules, so that local government can raise more money and contribute to the obvious deficit in its budget because of the broader cuts?

[49] **Jane Hutt:** These are very important policy points for the Deputy Minister for Social Services, particularly in relation to the points on the first steps package, which is very much a policy driver of the Welsh Government to enable people to be supported in their homes and communities. It is very much in line with the intermediate care fund that we have now supported. There will be discussions and views will be exchanged between the Welsh Local Government Association and the Welsh Government about the implementation of that package. However, it is for local authorities to make the decisions on how they set fees and charges at a local level and we know that that varies throughout Wales. It will have to make those decisions in terms of income and demand and, of course, what it means in terms of access. I know that car parking fees is a hugely topical and controversial issue in terms of local authorities' decisions, as is the accessibility of town centres and leisure services. That will be something for the Minister for local government and the Minister for social services. However, there are some limits in legislation in terms of the extent to which fees can be charged. Many fees can only be charged on a cost-recovery basis. Again, that may be something that you might be interested in, in terms of those limits, and we could share more information on that.

[50] **Jocelyn Davies:** Just before we move on to Chris on European funding, Peter has a question on this point.

[51] **Peter Black:** My question is on local government. Minister, you have made a fairly substantial cut in the budget in the revenue support grant funding, and the Minister for local government also indicated that she would be expecting councils to aim again for no more than 5% in terms of their council tax increases. This morning, one of your colleagues, Councillor Russell Goodway, was on the radio saying that he expected some councils to be struggling and possibly even to go bankrupt. Are you anticipating any health board-style bail-outs of local government and has money been put aside for that?

[52] **Jane Hutt:** Clearly, the Minister for local government will be making her announcement on the provisional settlement next week. I want to repeat, as we all know in this room, that we have protected local government over the past three years. There has been a 9.5% real-terms cut to local government in England, but it has only been half of that in Wales, as assessed by the Institute for Fiscal Studies, over the last three years. We have worked with local government to help it to prepare for tougher times, which, as clearly indicated, has been very important. I mentioned invest-to-save as a key feature.

[53] Perhaps I could just take the opportunity to say that there are many ways in which this budget will help local government. It will help them because we are helping them to invest in the services that they are responsible for. The protection in terms of the 1% for schools over and above the settlement is very important. It goes to local education and to local authorities. The pupil deprivation grant, which is doubling, goes to local authorities and then

100% on to schools. This is money for local services that local authorities are responsible for.

[54] Also, the £6 million additional capital for Flying Start, is, again, very important in terms of those childcare facilities at local authority level. I think that the intermediate care grant, including £15 million for capital, as I was saying today, will be very important for local government. The £500 million that we are putting into housing initiatives, and our £70 million for Arbed, will benefit all local authorities and their services, such as housing. They will also benefit from invest-to-save.

[55] One thing that you probably have not had a chance to look at, which is very important for local government, is that we have announced a new capital loan scheme for sport and leisure facilities. That is a financial transaction of £5 million. Again, that will be very helpful to local authorities, as indeed the financial transactions loan fund for town centres will be. So, even though we have not yet had the provisional settlement, I would say that yesterday's budget is putting money into local services for which local authorities are responsible.

[56] **Peter Black:** Obviously, Minister, you need revenue to run the sport and leisure facilities, but in terms of the revenue support grant, last year the Minister top-sliced £10 million for a collaboration fund. It is likely that there will also be a top-slice to cover the housing benefit money, because there is clearly no budget provision in this document. Are you anticipating any more top-slices from this money or is local government going to have more discretion over how it spends that particular amount of money?

[57] **Jane Hutt:** That will be a matter for the Minister for local government to respond to next week. I am sure that her statement will make clear how she is taking forward not just the provisional settlement but also the arrangements—not just the council tax benefit scheme but also, in due course, the regional collaboration fund and other initiatives.

[58] **Jocelyn Davies:** Mike, you wanted to come in on this point.

[59] **Mike Hedges:** The Minister mentioned the 1% above the Welsh block grant increase in schools funding. Will that be passported via local authorities, or will it go to local authorities and they will then have discretion to use it in whichever way they wish?

[60] **Jane Hutt:** As it has done for the last three years, it goes to local authorities. We monitor, with their engagement, how the money is being allocated. I am sure that you have seen the returns reflected in local government spend. It is not ring-fenced; it is an allocation and an expectation that we monitor. It is an increase that goes through the support grant.

[61] **Jocelyn Davies:** Chris, shall we come to your questions on European funding?

[62] **Christine Chapman:** Okay. First of all, Minister, could you clarify the overall value of European funding as a funding source for the Welsh Government draft budget?

[63] **Jane Hutt:** Yes. That is a really important question. Following my statement yesterday, as well as in terms of the preparations for the next line of programmes, since 2007 more than £500 million of EU funding has been invested in Welsh rural communities. That is one example. That is very important in terms of the European agricultural grant fund and single farm payments. Also, in terms of our allocations of the structural funds in particular, there are benefits for 6,700 new enterprises, over 21,000 jobs, 52,000 people into work, and 153,000 to gain qualifications. That, of course, is the real benefit and value of European structural funds: the beneficiaries. As I said yesterday, it is about the quality of what happens next for the people who have benefited in terms of access to jobs.

[64] **Christine Chapman:** From time to time, there are occasions when the Welsh

Government would perhaps have to repay some of the European funds, because of a failure to comply with EU funding terms. How would you assess the risk of that? Obviously, we are fairly dependent on some of these funds, and there are some very good projects, but I just wondered how you would assess the Welsh Government's level of financial risk in that.

[65] **Jane Hutt:** Certainly, since I have taken on the responsibility for structural funds, and having visited the Commission in Brussels, there is no question, as you know, that Wales has a very good record—an exemplary record, really—on EU programmes, and compliance is at the forefront of the way that the Welsh European Funding Office has operated. We have not had payments suspended by the Commission, for example. We are the only administration in the UK that has not, I have to say, during the course of this year. I think that the error rate ceiling is 2%, and we are coming in below that—that is the audit authority's annual control report for structural funds. So, we are well ahead of other UK administrations. I do not think that the committee needs to be concerned about that in terms of our management of risk, but, obviously, it is always the case that we would have to respond if it were to arise.

[66] What you do have to be careful of, if you are compliant and are not taking risks, is that you also make sure that you get the money out the door. So, there could be a risk of not maximising structural funds if we fail to ensure that our projects are up and running and are well managed. To give you some assurance on that, we have overcommitted. We have overcommitted at 102% of the £1.9 billion of EU structural funds available to us to date, so that we can maximise expenditure, because they will not all deliver absolutely in line with their project proposals. I hope that gives you an assurance that, while we are compliant, we are trying not to be too risk averse in delivering on European structural funds.

[67] **Christine Chapman:** May I just press you further, Minister? One of the priorities for this budget is tackling poverty and helping poorer communities. We are in very difficult times at the moment, so, again, I am just assessing the level of risk and the impact on those communities in particular if there were any risk of repayment of that funding. May I just ask you about that specific area? Sometimes, they are quite short-term projects, and they do rely on these programmes. I would just like some confirmation, really, on that.

[68] **Jane Hutt:** We are not aware that there is any exposure in terms of risk for these funds. You mentioned tackling poverty, and that some of them are short-term projects. The extent of engagement with the project sponsors—and, of course, we know them well in the public and third sectors—is such that we are very close in monitoring them. There is very rigorous project management, as you know, in reviewing project sponsors. Also, we do not see any exposure to risk, not just in terms of tackling poverty funding streams, but also, for example, in the rural development fund projects.

10:30

[69] **Jocelyn Davies:** Paul, shall we come on to innovative finance?

[70] **Paul Davies:** Before I ask you some questions around innovative financial models, may I come back on the 1% increase above the block grant for schools? You have made it absolutely clear that you do not ring-fence that, and that it is an allocation to local authorities. However, you did say earlier on that it is an expectation that you monitor as a Government. If it does not meet your expectations, what actions do you then take as a Government?

[71] **Jane Hutt:** This is, again, about working in partnership with local government, and you know, of course, that it would not want us to restrict it. It recognises that this is a priority of the Welsh Government, and the First Minister has led on this priority in terms of providing 1% uplift overall in our settlement for schools. That is accepted by local authorities, and it is accepted that we are monitoring their spend on schools—and it is on schools, of course—and

that the figures are published. We do not want to have to move towards more ring-fencing, which they also do not want, in terms of hypothecation.

[72] **Paul Davies:** Just to clarify then, Minister, if they do not spend it on schools, what action can you take as a Government and as Minister for Finance to ensure that the money is spent on schools? Can you also tell us whether, in the last 12 months, for example, the money allocated to local authorities has been spent on schools?

[73] **Jane Hutt:** Clearly, if they are not going to spend it on schools—. Chair, I will make sure that you have our monitoring returns via the Minister for education on the spend on schools. I think that that would be helpful to the committee. They have done so. The latest figures show that local authorities have spent 1%, if not more, in terms of that priority of schools. We can share that with the committee. However, clearly, it would influence our next steps—it would influence whether or not we felt we would have to go back to a strict hypothecation of grant. This is about working in partnership, and there has to be a robust understanding of Welsh Government priorities. I would also say that we share these goals—we share the aspirations for improving educational attainment with local government. Local government has benefitted from the pupil deprivation grant directly in its schools, which has helped it. It has benefitted from our streams of funding for school effectiveness and numeracy and literacy. So, this is not something where there is disagreement with local government, but we do expect that 1% spend. Could we share that with you, Chair?

[74] **Jocelyn Davies:** Yes. You are not expected to know in detail the monitoring returns of every local authority. Paul, do you want to come back on this?

[75] **Paul Davies:** I will come on to the innovative financial models. You have talked a lot about using innovative financial models to lever in additional capital investment. Can you be specific as far as this draft budget is concerned as to what specific innovative financial models you will be establishing in the next financial year to lever in more capital investment? We have seen your announcement this morning. What innovative financial models will you be using with regard to that particular announcement?

[76] **Jane Hutt:** Thank you very much, Paul. It is worth repeating that, over the last year, we have enabled around £900 million-worth of innovative financial investment into our strategic infrastructure investment plan. We lay it out in chapter 4 of the draft budget very clearly in terms of our plans for innovative investment. A project that I announced this morning that is progressing for innovative finance—a non-dividend route to finance—is the redevelopment of Velindre hospital, which would be a £200 million-plus project. That would be the first healthcare facility for which we would be looking for innovative finance, certainly in Julie Morgan's constituency. However, I also reconfirmed, in terms of the Heads of Valleys road—we are, over time, accelerating and completing the dualling of the Heads of the Valleys road, and you know that there is innovative financing of part of the dualling of the Heads of the Valleys road. In fact, I am announcing today another £40 million for 2015-16 for the Heads of the Valleys. Part of the Heads of the Valleys funding is going to be through innovative finance.

[77] At this stage, in a sense, it is about how we are planning to develop our innovative finance projects with partners. I have mentioned Velindre and the A465. Our meetings with the European Investment Bank are really important on this front. It is also very keen to help us invest in non-dividend projects, and already has some experience in Ireland, for example, as well as in other parts of the UK. So, we are going to be bringing it in to help us with some of those projects. However, it is important that we look at all of the opportunities, particularly in relation to housing, but also in relation to transport and health.

[78] I always flag up the local government borrowing initiative as the major example of

innovative finance. What is very important for local government is that we are discussing with it how we could use the local government borrowing initiative to extend beyond highways improvement and into twenty-first century schools. In fact, I did announce that, and we are talking to local government about how we would take that forward. Looking at housing very briefly, there is a £4 million annual funding stream for registered social landlords to raise £100 million in new funding to finance 1,000 affordable homes over the next four years. Of course, this is in our budget because it is ongoing revenue that we put in the budget to help finance the RSLs to deliver that. We also have the ongoing finance of the local government borrowing initiative in terms of highways. We are also continuing with the Ely bridge development, and the investment that we are making through the JEREMIE fund with the SME investment fund for Finance Wales. That also includes European Investment Bank funding.

[79] **Paul Davies:** As a Government, do you have a target in terms of leveraging in additional capital investment?

[80] **Jane Hutt:** We have already levered in £2 billion of additional capital investment as a result of the new, innovative routes that we are taking. Certainly, we want to extend that. This is our invest for Wales programme. I made a statement only a few weeks ago about this, but I will be coming back to the Assembly in January to provide an update on it. It is fair to say that the response that we have had in terms of the lenders and the people who want to engage with us, particularly in terms of engaging in the non-dividend project route, has been very positive. Of course, we continue to be supported by Gerry Holtham on this work.

[81] **Paul Davies:** But you do not set a clear target.

[82] **Jane Hutt:** I think that the targets that we are setting—the £2 billion is manageable, but—

[83] **Paul Davies:** Is that your target, then, Minister?

[84] **Jane Hutt:** I will be coming back with an update and a further target for invest for Wales in the new year.

[85] **Paul Davies:** So, there will be a target in the future.

[86] **Jocelyn Davies:** Is that a target for the capital to be drawn in from other sources?

[87] **Paul Davies:** Yes.

[88] **Jocelyn Davies:** I know that a number of Members want to come in on this. Julie, you have been waiting a while.

[89] **Julie Morgan:** Yes, I was going to ask about Velindre hospital, but I want to say how pleased I am that you are looking at innovative funding to develop Velindre. Does a part of those plans for Velindre include involving the European Investment Bank?

[90] **Jane Hutt:** It is early days. The Minister for Health and Social Services has announced some funding or has allocated some funding for a feasibility study. Meetings are already being held—this week, I think—with the trust, in terms of the way forward. As I said, this would be the first project of this kind in Wales. In terms of the fact that we did not follow the old, discredited private finance initiative scheme, probably everyone in this room recognises that we were right not to do so. We are not burdened by debt in the way that they are in the rest of the UK by that scheme. It was direct capital that funded all of our new provision.

[91] However, we need to be realistic and look for new options now, and Velindre will be the first project that we will trial. The European Investment Bank route is well trusted, because when we visited its representatives, they talked about its investment in Alder Hey Children's Foundation NHS Trust hospital in England. One of the things about the European Investment Bank, which we were discussing yesterday in the Chamber, is that we need to be able to borrow to help us access these funds. It goes back to the Silk message, does it not? So, we will have to look at how we have set up vehicles to enable us to borrow for projects like Velindre. However, I see it as the first step for a very pioneering new way of financing health facilities, as well as the fact that we are already using it for roads—the A465 is one example of that.

[92] **Peter Black:** I cannot find Velindre in your statement this morning, or in the budget. Could you outline the nature of the investment? How is it innovative? I am not quite clear.

[93] **Jane Hutt:** It is very early days, Peter. There is a line in the written statement, so it does not—

[94] **Jocelyn Davies:** Is this the statement that you issued this morning?

[95] **Jane Hutt:** It was the written statement that I issued this morning on infrastructure and capital investment. It just quickly says:

[96] 'Velindre NHS Trust are looking at the development of a new Cancer Centre, with an estimated cost in the region of £200 million...The Trust is working with its partners to identify innovative finance opportunities for attracting the capital investment...'

[97] That is in the written statement that I issued this morning.

[98] **Peter Black:** What is the nature of that innovative investment? How is it innovative?

[99] **Jane Hutt:** It would be setting up a not-for-profit special purpose vehicle or route to funding a new hospital.

[100] **Peter Black:** Okay. So, you have set up a sort of arm's length—

[101] **Jane Hutt:** We have not got to that. This is very early days.

[102] **Peter Black:** Okay, but that is the idea: to set up an arm's-length body that can borrow the money. That is basically it.

[103] **Jane Hutt:** Yes.

[104] **Peter Black:** On some of the other issues in your statement, you refer to the JEREMIE fund. We have had an innovative vehicle in the past, in the regional investment fund for Wales, which, I believe, was tied to JEREMIE. That is currently suspended. Has that put in jeopardy some of the investment that you have projected in your budget?

[105] **Jane Hutt:** No, it should not. Quite clearly, the Minister for Housing and Regeneration is working on that particular project and will be making a statement very shortly on this, but it is not going to jeopardise our access to that funding.

[106] When I was in Brussels, I discussed what financial instruments are going to be available, post JEREMIE, in the next round of programmes, and certainly, this issue was not raised with us at all. It goes back to the fact that Wales has delivered. In terms of Finance

Wales and the JEREMIE funds that we have levered in, and European Investment Bank support for that, they are very positive about how Wales has delivered on the funds.

[107] **Peter Black:** There is a substantial amount of capital tied up in the regeneration investment fund for Wales.

[108] **Jane Hutt:** We need to await the statement from the Minister on that, but it is not having an adverse impact at all. They are very positive about how we have used the JEREMIE funds in Brussels.

[109] **Peter Black:** I have one more question. In terms of innovative finance, a lot of the schemes that you have initiated are around conventional borrowing, and trying to find ways of raising the revenue to pay those back. There are some less conventional schemes in place in England—I will mention tax increment financing—but what are you doing in terms of looking at England and trying to bring those into play in Wales? They have been in play in England for the best part of a year now, or longer, and it seems to me that we are very slow in picking up from that and taking that baton and running with it.

[110] **Jane Hutt:** Clearly, Peter Black will make sure that we do continue to explore; I have reported back on that in answer to questions, as indeed has the Minister for Economy, Science and Transport. You can be assured that TIF is not off the agenda. We recognise that there are lessons to be learned from the rest of the UK, but it has been tied up with the business rates relief review, which, of course, the Minister has only just reported on.

10:45

[111] **Peter Black:** However, I think that her report on that was, ‘We’re still looking at it.’
[*Laughter.*]

[112] **Jane Hutt:** We will progress on this and, perhaps, satisfy you at one point, Peter Black.

[113] **Jocelyn Davies:** You started something there, Peter. Mike, do you want to come in on this specific point?

[114] **Mike Hedges:** Yes. Peter and I disagree massively on TIF.

[115] **Jocelyn Davies:** Yes, I know.

[116] **Mike Hedges:** Can the Minister confirm that, if you have TIF, it does not actually give you any extra money in the revenue support in order to fund it?

[117] **Jane Hutt:** Well, yes, I mean—

[118] **Jocelyn Davies:** You do not have to continue; you just agree with him, Minister.
[*Laughter.*]

[119] **Jane Hutt:** I agree. It is very unlikely that it would provide a significant new source of investment. Is that helpful?

[120] **Mike Hedges:** Yes.

[121] **Jane Hutt:** It is very unlikely.

[122] **Jocelyn Davies:** That is a nil-nil draw now between Peter and Mike.

[123] Minister, before I move on to the budget exchange system, I notice your comment on the importance of the ability to borrow and use external partners and their ability to lever in capital. I do not expect you to know the answer to this—perhaps you can send us a note—but I was rather disappointed when I read the review of the regulatory regime for housing associations, because it was intended to be risk based in order that lenders would get comfort from the outcomes and then lend at good interest rates. Unfortunately, from the review that has recently been published, that is not the case. Lenders are not getting comfort from the outcomes, and some of the plans that you have mentioned here, working with housing associations, are at risk if they cannot borrow at reasonable rates. So, perhaps you would let us have a note on that.

[124] **Jane Hutt:** Yes.

[125] **Jocelyn Davies:** It is a little pet thing of mine.

[126] On the budget exchange system, are there any plans in place to use that within this draft budget? If so, what is the money going to be spent on?

[127] **Jane Hutt:** There are no plans at this stage.

[128] **Jocelyn Davies:** Okay. We will move on to expenditure. Julie, you wanted to ask about legislative burdens.

[129] **Julie Morgan:** Yes, it was to ask whether you have quantified the full cost of all the legislation that is going through and all the proposed legislation for 2014-15 and 2015-16. What is the overall net impact of new legislation?

[130] **Jane Hutt:** Yes. This is a very important point of scrutiny. I have certainly valued the fact that the Finance Committee has focused on this. You will see that we have, in the budget narrative, put not only an overarching chapter on legislation but a section in each departmental chapter looking at affordability in terms of the impact of legislation. It is not just for the Welsh Government; it is for our delivery partners. Certainly, that is something that I closely scrutinise, as the Minister for Finance, with my colleagues, as legislative proposals come forward. I am very clear that they have to be very clear about how the proposal is going to be financed, not just in terms of introducing and implementing the legislation, but for our partners as well. The difficulty with the costs is that, sometimes, they do not materialise until you implement the legislation, and that could be beyond the budget period. However, we have to develop those costs clearly in the regulatory impact assessments, which I monitor very carefully as the Minister for Finance.

[131] **Julie Morgan:** Yesterday, we discussed the Social Services and Well-being (Wales) Bill, which seemed to be a big shift with lots of implications. Presumably, there will be a lot of secondary legislation there as well. Have you considered all the implications and costs of that Bill in your planning?

[132] **Jane Hutt:** I think that the difficulty, as you say, is the secondary legislation, which will identify the costs. The regulatory impact assessment made it very clear that we would not know fully what the costs are in terms of the Bill, but, of course, we have to talk not just about costs but about benefits as well, which we will not fully know until we have got the subordinate legislation developed in greater detail. However, I am sure that Members were aware that some funding was announced to support the safeguarding agenda, for example—over £2 million. That has helped with the national adoption service and also helps local authorities in terms of preparing for implementation. We have increased our funds to support the transition through the ‘Social services strategy’ budget line; if you note that, for 2014-15,

there is a budget line of £4.1 million to assist in that transition for social care arrangements. That is important in this budget that we tabled yesterday.

[133] **Julie Morgan:** You mentioned the national adoption agency; is there any money in this year's budget to develop the national adoption agency?

[134] **Jane Hutt:** Could I come back on that question, because I am not sure?

[135] **Jocelyn Davies:** Of course. Julie, have you finished?

[136] **Julie Morgan:** Yes, it is okay.

[137] **Jocelyn Davies:** I know that you have a question, Simon. Just to remind Members, we have about 10 minutes left and there are a number of other areas that we have not covered yet, so we will need to be brief with the questions and the answers.

[138] **Simon Thomas:** Yes, very briefly, for clarification, really, it is useful to see in the budget narrative your assessment of the implications for spending from legislation. However, it is also clear that this is really a replication of what is in the impact assessments with the legislation going forward. Several committees have expressed doubt about the quality of that, so just within this budget, if it is the case that the impact assessments have not taken fully into account some of the costs, do you expect individual Ministers to pick that up in their own main expenditure groups, or do you have some kind of provision for legislation that runs over cost?

[139] **Jane Hutt:** We certainly do not have that provision. I expect them to pick it up in their MEGs. That is the discipline that we require for a new legislative Government and body.

[140] **Jocelyn Davies:** Ann, has your point been covered?

[141] **Ann Jones:** Yes, that is fine.

[142] **Jocelyn Davies:** Mike, you were going to do the question on efficiencies. Can we raise that with the Minister the next time that she comes back? Do you have a very brief question?

[143] **Mike Hedges:** Yes, a very brief question: what efficiency savings has the Welsh Government achieved in its own central administration?

[144] **Jane Hutt:** I do not want to spend too long detailing that—

[145] **Mike Hedges:** A note with the numbers will be fine.

[146] **Jocelyn Davies:** Paul, you wanted to come in on process; there was a specific point that you wanted to ask.

[147] **Paul Davies:** I just want to ask you about the budget process and the planning, effectively. I asked you in Plenary yesterday about further education colleges. They received a letter in February of this year saying that they were going to get a 1% increase, but in July of this year they received a further letter telling them that, in fact, they were getting a 1.48% reduction in their budget. What mechanisms are in place as far as you are concerned as the Minister for Finance to ensure that the way public bodies are funded is clear? Certainly, that was not clear, and it was not fair, either, on further education colleges.

[148] **Jane Hutt:** I acknowledged those questions yesterday in terms of further education.

Of course, following on from February there was a budget in March where our allocations, in terms of consequential, were cut, not just in this financial year, but for the next financial year. That has had an impact on how we plan for the budget next year. This is for the Minister for Education and Skills to answer, and it is about the close working relationship that we have with the sectors, trying to enable them to prepare, but having to take into account—since you raised it, I have not seen that February letter, but I will do so, of course—that it is a changing financial context that we are working in. I believe that there is very close working between the FE sector and the officials in terms of preparations for a very challenging budget. Certainly, that is about—again, it is about what is right for local government—how close you get in terms of preparation and preparing. That has to be done at ministerial level, where judgments have to be made. Also, it is making sure that our partners are aware of the impact of UK Government budget changes.

[149] **Paul Davies:** I appreciate that it is up to individual Ministers to monitor these things, but as the Minister for Finance, and given the financial implications of some of these decisions, what specific mechanisms do you have in place to monitor these things?

[150] **Jane Hutt:** This is not a micromanaging of Ministers and the way that they manage their relationships to—

[151] **Paul Davies:** What mechanisms are in place?

[152] **Jane Hutt:** Our responsibility is to make sure that Ministers and officials at director general level are very clear about the changing financial scenario, in terms of the impact of UK Government decisions particularly. I think that this will be reflected in the discussions that we have just been having about FE.

[153] **Jocelyn Davies:** Minister, my question is about prevention. I know that you have made some very clear comments that the shift to prevention is a priority for the Government, although I did notice that the care and repair budget, which is a preventative service, has had a 10% cut. It is difficult to justify a 10% cut at a time when you are asking the service to go into preventative spending. Can you justify that? While you are thinking about that, there is an argument put forward that preventative spending should get special treatment in the same way as capital investment where the cost could be spread across the saving period or ring-fenced within a departmental expenditure limit to protect it from short-term demands. I wondered whether you would agree with that. I know that a number of Members—Simon and Ann—also have questions on preventative spend.

[154] **Jane Hutt:** Thank you very much, Chair. We have been moving towards the preventative spend agenda. I think that that was very much reflected in our budget agreement discussions about Supporting People, for example. Of course, we had many representations where the point was made that Supporting People is very much a preventative spend. May I also draw Members' attention to the equality impact assessment?

[155] **Jocelyn Davies:** We have some questions for you on that.

[156] **Jane Hutt:** Oh good. In a sense that helps to provide the discipline for it. A lot of preventative spend is related to impacts on vulnerable people and equality objectives. I will just say that all Ministers have had to make adjustments and cuts to their budgets. Care and repair is a very important service and, of course, it does have a preventative spend. I think that we have sought to minimise cuts to those kinds of budgets. I hope that you would agree, Chair, that care and repair could possibly benefit from the new intermediate care fund in terms of revenue and capital. In a sense, the budget agreement will help. The intermediate care fund is another example of preventative spend. I will give a couple of examples of preventative spend: effective services for vulnerable groups have a strong preventative focus

in supporting the early identification of issues around domestic abuse and child safeguarding. You will notice that the domestic abuse budget—again, in the equality impact assessment—is being protected, because of the importance of preventative spend. I have mentioned Supporting People, I think that invest-to-save is also a preventative spend. I do value the scrutiny on the preventative spend in this budget.

[157] **Jocelyn Davies:** Perhaps you would let us have a note on whether you would consider giving special treatment to preventative spend. I know that Simon and Ann have brief questions on this. We then have three or four other questions, which we will do very quickly, Minister, before you have to leave.

[158] **Ann Jones:** I will touch on the equality impact assessment, which I have not read in detail as I only obtained it in PDF format from the Library at 8.50 a.m. That was my first opportunity to see it. I want to talk about preventative spend and the way in which the equality impact assessment has probably assisted in that. If there is protection in some areas, are we sure that the equality impact assessment has been worked through in those other areas that are going to see cuts, so that we are not protecting one area, but having no effect in another area because of the impact on a particular sector in society?

11:00

[159] Really, what I am after is that we are making sure that the equality impact assessment has gone through all the lines of the budget, not just areas such as domestic violence and school budgets, which are protected, and which you have mentioned. The aims and priorities in the Government's budget are laudable, but it is about making sure that, in all of the other areas where the cuts are coming, the preventative spend and the equality impact assessment have been worked through, so that we are not cutting in an area that might damage the preventative spend in another area.

[160] **Jane Hutt:** That is very helpful. They are very closely linked. So, with regard to the equality impact assessment, you will see that we have legal obligations that have steered us—and not just the Equality Act 2010. We have also looked at it from the perspective of the strategic equality plan, the United Nations Convention on the Rights of the Child, human rights and periodic review, sustainable development and the Welsh language. That is the backdrop to the equality impact assessment. Much of that spend could be seen as preventative. Obviously, Members have not had time to work through the equality impact assessment, but I can assure Ann that we worked through this on the basis of all departmental spending plans.

[161] **Ann Jones:** Okay. I might come back to that when you return, when we will have more time.

[162] **Simon Thomas:** Rwy'n deall nad oes llawer o amser ac mae cwestiynau di-ri ynglŷn â gwariant o ran datblygu cynaliadwy a phethau felly. Fodd bynnag, mae gennyf un cwestiwn penodol am yr iaith Gymraeg, gan eich bod newydd sôn am hynny yng nghydestun yr astudiaeth gydraddoldeb, ac ati. A yw'r Llywodraeth yn ystyried gwario ar yr iaith Gymraeg fel gwario ar wasanaethau ataliol? Buaswn i'n meddwl y dylech ei ystyried felly, oherwydd mae trio achub iaith ar ôl iddi gael ei cholli yn llawer drytach na gwaith ymlaen llaw. Os ydych yn ei weld fel

Simon Thomas: I understand that there is not a lot of time left and there are many questions about expenditure on sustainable development and so forth. However, I have one specific question about the Welsh language, because you have just talked about that in the context of the equality impact assessment, and so on. Does the Government consider spending on the Welsh language to be preventative spend? I would think that you should see it in that way, because trying to save a language after it has been lost is far more expensive than work done beforehand.

gwariant ataliol, pam y mae toriad o ran If you see it as preventative spend, why is
gwariant yn y maes hwn yn y gyllideb ddrafft there a cut in the expenditure in this field in
yr ydych wedi ei chyflwyno? the draft budget that you have introduced?

[163] **Jane Hutt:** I purposely said that the Welsh language was part of the context of looking at the equality impact assessment, which is preventative spending. Now, all Ministers will have to answer for the ways in which they have had to make reductions in their budgets. This will always be the budget where tough decisions have had to be made and they have to be justified. However, I hope that, in terms of the equality impact assessment, you will see ways in which we are trying to deliver. It is preventative, but it is also a legal commitment in terms of the Welsh language. In terms of Welsh for adult learners, I believe that around £7 million has been allocated—whatever the figure, it is a lot of money that we are putting out. I am not sure of the actual percentage cut. However, we need to find out what that means and we also need to look at the other ways in which we are investing in the Welsh language. You will see that in the way in which we are assessing it for equality impacts. Perhaps I could give you the detail on that particular question on the Welsh language.

[164] **Simon Thomas:** Yes, it would be helpful to have that.

[165] **Jocelyn Davies:** Julie, you wanted to come in on this point.

[166] **Julie Morgan:** Yes, I will come in very quickly. The Rights of Children and Young Persons (Wales) Measure 2011 requires all Ministers to look at every decision made to assess how it impacts upon children. Have you been able to ensure that that has been done in the budget process?

[167] **Jane Hutt:** Yes. Once again, that was a context within which we were looking at this. It is an obligation and all Ministers have had to look at that. Some examples are our commitments to extend Flying Start, the protection of front-line funding for schools and Jobs Growth Wales. Members might not have been able to dig deeply enough now, but we are maintaining the budget of the Children's Commissioner for Wales. Once again, this is about making decisions, is it not? There are tough choices to be made and we have maintained that budget because we believe that it is important in terms of the rights of children and young people. We need to have a due regard assessment on our expenditure plans.

[168] May I say very quickly, Chair, that we have produced a children's budget leaflet? I have copies here for all Members. Yesterday, the children's commissioner tweeted his congratulations on our children's budget leaflets. I think that everybody would find it useful, not only children and young people, because it is a fairly descriptive way of saying what the budget means.

[169] **Jocelyn Davies:** That was useful information for those who are not on Twitter, I am sure. Ann, have we covered your point?

[170] **Ann Jones:** Yes, because I want to go through this and come back with some more detailed questions at another time.

[171] **Jocelyn Davies:** Once Members have had an opportunity to go through the equality impact assessment, I have no doubt that we will have more questions in future. Are all Members happy with that? I see that you are. Minister, thank you very much. We have kept you slightly longer than we had intended, but we are very grateful to you. I think you were going to send us one or two notes and points of details, and we will send you a transcript to check for factual accuracy. We will now move into private session to discuss the evidence.

[172] **Jane Hutt:** Thank you very much. I will leave these leaflets.

11:05

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod**
**Motion under Standing Order 17.42 to Resolve to Exclude the Public from the
Meeting**

[173] **Jocelyn Davies:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).

[174] I see that all Members are content.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:06.
The public part of the meeting ended at 11:06.*