

Jane Hutt AC / AM
Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref: SF/JH/0847/12

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

Σ March 2012

Dear Jocelyn,

Thank you for your letter of 29 February enclosing a copy of the Finance Committee's report on the *Scrutiny of Supplementary Budget Motion 2011-2012 (Spring 2012)*. I welcome the Committee's positive comments regarding the open and transparent approach with which we have sought to facilitate the scrutiny of the Supplementary Budget. As I have said previously, I am committed to working in a way which makes the Committee's scrutiny role as effective as possible.

Turning to the specific issues raised in the report, I accept the Committee's recommendations. These are issues which we covered during the evidence session and I welcome the opportunity to provide an initial response to these recommendations now, with further details to follow in due course as indicated.

On the first and second recommendations, which relate to the evidence base for additional funding for Hywel Dda LHB, we have undertaken significant work with every LHB in Wales to understand the financial pressures they face. This work provided evidence of unique challenges in Hywel Dda LHB. The four-year tapered funding package of £80 million gives the Health Board financial stability during this period to sustain current services while service improvements are developed and implemented. The Minister for Health and Social Services and her officials touched on this when giving evidence to the Health and Social Care Committee on the Draft Budget 2012-13. I will ask the Minister for Health and Social Services to write to you separately with further details on the basis of the decision.

With regard to the third recommendation, which relates to the accountability of senior NHS managers, Local Health Boards have a statutory duty to break even and the Minister for Health and Social Services has consistently made it clear that she holds senior NHS management responsible for the financial performance of their organisations. When the Minister announced the additional funding for the NHS in October, she said then that NHS managers will be held to account for the financial management of their organisations, with

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence.Jane.Hutt@wales.gsi.gov.uk
Printed on 100% recycled paper

strong action taken if financial targets are not achieved. Welsh Government officials are keeping the situation under close review as part of the in-year monitoring.

Finally, in response to the Committee's request for a full breakdown of all additional financial support provided to Local Health Boards during 2011-12, we are happy to provide this information to the Committee alongside the Written Report on final out turn. In line with the Protocol we have developed with the Finance Committee, we will endeavour to provide this information before the summer recess.

I hope this is helpful.

Best wishes



Jane Hutt AC / AM

Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House