



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion

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[The Finance Committee](#)

06/07/2016

[Agenda'r Cyfarfod](#)
[Meeting Agenda](#)

[Trawsgrifiadau'r Pwyllgor](#)
[Committee Transcripts](#)

Cynnwys
Contents

- 3 Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions
- 4 Ystyried Goblygiadau Ariannol Bil Cymru
Consideration of the Financial Implications of the Wales Bill
- 17 Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod ac o'r Cyfan o'r Cyfarfod ar 14 Gorffennaf 2016
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting and from the Whole of the Meeting on 14 July 2016

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllogor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

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. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwylgor yn bresennol
Committee members in attendance

Mike Hedges Bywgraffiad Biography	Llafur Labour
Steffan Lewis Bywgraffiad Biography	Plaid Cymru The Party of Wales
Eluned Morgan Bywgraffiad Biography	Llafur Labour
Nick Ramsay Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Mark Reckless Bywgraffiad Biography	UKIP Cymru UKIP Wales
David Rees Bywgraffiad Biography	Llafur Labour
Simon Thomas Bywgraffiad Biography	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)

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

Bethan Davies	Clerc Clerk
Martin Jennings	Y Gwasanaeth Ymchwil The Research Service
Gerallt Roberts	Dirprwy Glerc Deputy Clerk
Joanest Varney-Jackson	Legal Services Gwasanaethau Cyfreithiol

*Dechreuodd y cyfarfod am 09:30.
The meeting began at 09:30.*

Cyflwyniadau, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Simon Thomas:** Bore da. **Simon Thomas:** Good morning and welcome to the meeting of the Finance Committee. We haven't had any apologies, and I welcome the new members—so, Steffan Lewis and David Rees. I also welcome Mark Reckless to this first meeting of the committee. As you know, there are headsets available. Interpretation is on channel 1 and amplification of verbatim is on channel 0. If you could make sure that your phones are on 'silent', that would be a great help. We don't expect a fire alarm this morning, so, if there is an alarm, please follow the ushers to a safe place. Before we start the meeting, does anybody have any declarations of interest? I see not. Therefore, everyone is content.

Croeso i gyfarfod y Pwyllgor Cyllid. Nid ydym wedi derbyn unrhyw ymddiheuriadau, ond croeso, yn arbennig, i aelodau newydd—so, Steffan Lewis a David Rees. Croeso hefyd i Mark Reckless i'r cyfarfod cyntaf o'r pwyllgor. Fel y byddwch chi'n gwybod, mae offer cyfieithu ar gael. Mae'r cyfieithu ar sianel 1, ac fe gewch chi glywed y sain gwreiddiol ar sianel 0. Os gwnewch chi wneud yn siŵr bod y ffonau i gyd ar 'tawel', byddai hynny'n help mawr. Nid ydym yn disgwyl prawf larwm tân, felly, os oes yna larwm tân, dilynwch y tywyswyr allan i fan diogel. Cyn inni ddechrau'r cyfarfod, a oes gennych chi unrhyw fuddiannau i'w datgan? Nac oes. Pawb yn hapus, felly.

09:31

Ystyried Goblygiadau Ariannol Bil Cymru Consideration of the Financial Implications of the Wales Bill

[2] **Simon Thomas:** Fe wnaeon ni droi at yr agenda. Yr eitem cyntaf yw i ystyried goblygiadau ariannol Bil Cymru. Byddwch chi efallai wedi gweld bod y Llywydd wedi cyflwyno nifer o welliannau i Fil Cymru. Mae'r Bil ei hunan yn cael ei ystyried gan y Pwyllgor Materion Cyfansoddiadol a Deddfwriaethol, ond yr oeddem yn meddwl y byddech chi, fel aelodau'r **Simon Thomas:** We'll turn to the agenda now. The first item is to consider the financial implications of the Wales Bill. You may have seen that the Presiding Officer has submitted a number of amendments to the Wales Bill, which is being considered by the Constitutional and Legislative Affairs Committee, but we thought that you, as committee

pwyllgor, yn hoffi cael cip ar welliannau'r Llywydd, ac yn enwedig y rhai sydd yn ymwneud â'r materion sydd o ddiddordeb i'r pwyllgor yma. Byddwn i jest yn tynnu eich sylw chi—ond mae croeso ichi holi unrhyw beth am y gwelliannau hyn—yn arbennig at y gwelliannau y mae'r Llywydd wedi'u cynnig i gymal 16, sydd yn ymwneud â diddymu'r angen am refferendwm ar gyfer pwerau trethu, ond mae'r Llywydd yn cynnig gwelliant sydd yn ymwneud â'r angen i'r Cynulliad gydsynio i hynny drwy gynnig yn y Cynulliad. Mae hynny'n cyd-fynd â'r hyn a oedd yn cael ei ddweud gan y Llywodraeth ddoe yn y datganiad gan Mark Drakeford, yr Ysgrifennydd Cabinet. Jest i dynnu sylw hefyd fod y Llywodraeth wedi gosod memorandwm cychwynnol ar Fil Cymru, sydd hefyd yn ymhelaethu tipyn bach mwy o'u safbwyt nhw. Roedd hwnnw wedi cael ei osod ddoe, rwy'n meddwl. So, mae hwnnw ar gael ar wefan y Cynulliad hefyd os ydych chi eisiau gweld hwnnw. Felly, nid wyf yn gwybod a oes gan Aelodau sylwadau ar y gwelliannau neu Fil Cymru, neu'r broses yn gyffredinol, ond dyma gyfle i'r Pwyllgor Cyllid wyntyllu hynny. A ydyw pawb yn hapus, felly?

members, would like to have a look at the amendments of the Presiding Officer, particularly those to do with issues of interest to this committee. I will just draw your attention—but you are, of course, welcome to ask anything about these amendments—in particular, to the amendments that the Presiding Officer has offered to clause 16, which are to do with abolishing the need for a referendum on taxation powers, but the Presiding Officer is proposing an amendment that is about the Assembly to consent to that through a motion in the Assembly. That aligns with what was said by the Government yesterday in the statement by Mark Drakeford, the Cabinet Secretary. I also draw your attention to the fact that the Assembly has issued a memorandum on the Wales Bill, which also expands on their position, and that was laid yesterday, I think. So, that's available on the Assembly website as well if you want to see that. So, I don't know if any Members have any comments on the amendments or the Wales Bill, or the general process, but this is the opportunity for the committee to discuss that. Is everyone content, therefore?

[3] Okay, Nick. Nick Ramsay, yes, go on then.

[4] **Nick Ramsay:** As no-one is rushing in, I will indulge myself.

[5] **Simon Thomas:** You don't have to fill an empty space, but you're very welcome to do so.

[6] **Nick Ramsay:** I've just got a general question. On the first part, on the permanence of the Assembly, I completely agree with the sentiments and believe it should be permanent. I'm just wondering about the mechanisms by which that can be ensured within this Bill. It says it's permanent, but surely that is only for the duration of this Bill. Is there some sort of wider ability for this Bill to control other legislation? That's a general question.

[7] **Simon Thomas:** I don't know whether we have anyone who can—. My own interpretation, of course, is that there's—

[8] **Nick Ramsay:** Do you see the point I'm making?

[9] **Simon Thomas:** I certainly do, and we don't have a written constitution of the United Kingdom, therefore nothing could be permanent in that sense, but—

[10] **Nick Ramsay:** So, it's something impermanent as long as the Bill exists.

[11] **Simon Thomas:** It's a political declaration more than anything.

[12] **Mark Reckless:** I share Nick's surprise in terms of the focus and the commentary being given to it being made permanent since, of course, the Parliament remains sovereign in Westminster and there's nothing to prevent them making us not permanent if they've a majority to do so, and politics against them doing so is pretty much the same after the statement as before. So, I wouldn't give great emphasis to it. I suppose it's a good indication as to the emphasis they place on the Assembly as we're still just about—

[13] **Simon Thomas:** You can have the clarity of legislation, can't you, which doesn't mean it can't be overturned at some stage. Eluned.

[14] **Eluned Morgan:** I'm not quite sure why we're discussing this in the Finance Committee, although it's very interesting. I wouldn't want the fact that I don't want to comment on this now to imply that I am supporting anything in particular at this stage. I'd like a bit more time to consider exactly what these proposals are. These are from the Presiding Officer, as I understand, so the judgment from the Presiding Officer doesn't necessarily mean that we have to fall into line with that.

[15] **Simon Thomas:** Na, mae **Simon Thomas:** No, that's true. The

hynny'n wir. Y rheswm maen nhw wedi dod at y Pwyllgor Cyllid yw bod rhai o'r gwelliannau, yn enwedig yn ymwneud â chymal 16, yn ymwneud â'r fframwaith cyllidol.

reason that they've come to the Finance Committee is that some of the amendments, in particular those relating to clause 16, relate to the fiscal framework.

[16] Eluned Morgan: Reit.

Eluned Morgan: Right.

[17] Simon Thomas: Felly, roeddwn i eisiau jest tynnu eich sylw chi at y rheini achos bydd hyn yn effeithio ar waith y pwyllgor—os ydyn nhw'n cael eu derbyn, bydd yn effeithio ar y ffordd mae'r Pwyllgor Cyllid yn gweithio o hyn allan. Roedd e'n fwy priodol dod â'r cyfan i'ch sylw chi yn hytrach na jest rhai ohonyn nhw. Y prif bwyllgor sydd yn ystyried y rhain yw'r Pwyllgor Materion Cyfansoddiadol a Deddfwriaethol, ond mae cyfle ichi ofyn y cwestiwn ar hyn o bryd.

Simon Thomas: I just wanted to draw your attention to those because that will have an impact on the committee's work—if they're accepted, they'll have an impact on the way the Finance Committee will work from now on. It was more appropriate to bring everything to your attention, rather than just some of those. The main committee that's considering these is the Constitutional and Legislative Affairs Committee, but it's appropriate if you want to ask questions at the moment.

[18] If I can just bring in our legal adviser.

[19] Ms Varney-Jackson: Members may be aware, or may not be aware, that some of these amendments were actually before the standing committee of the—well, the committee of the whole House, yesterday. I don't know what the outcome was of all the votes, or, indeed, if all of them were selected or voted on. I'm certainly aware that the amendments to clause 12, which relates to how funds being drawn down from the consolidated fund should be used only for that purpose, were selected but, I understand, weren't voted on. The other amendments that we specifically draw your attention to as relating to finance matters, I don't know whether they were even selected or even voted on. I'm sorry, I wasn't in the office all day yesterday, so I haven't had a chance to catch up on everything.

[20] Our paper for you was to bring to the attention of this committee, as many of your members were not here in the fourth Assembly, a bit of a response to the issues of concern that were raised by the former Finance

Committee, how the Bill has responded to them and how we've tried to take things on a little further. So, I'm very happy to take questions on that. I'm not the expert on the constitutional points—some of my colleagues are far more au fait with those parts of the Bill—but I'd be very glad to take back any questions to my colleagues who would be in a position to write to you or, indeed, it will definitely be before the Constitutional and Legislative Affairs Committee.

[21] **Simon Thomas:** Mike Hedges.

[22] **Mike Hedges:** A few points, one a general one on the super-majority, which I think is a very good idea. Its limited use here—I am moving into areas outside our powers, but I would suggest that it shouldn't only be used for Assembly elections. Any change of any election process in Wales should be done by super-majority. Thirty-one to 29 could do so many things in this building that would not necessarily have the support of anything near a majority of the people in Wales. I think that the use of the super-majority—not for everything, obviously, like budgets, for example, because you can change them next year, but with anything that is going to be enshrined in such a way it's going to be very difficult to change in the very near future, the super-majority does give that air of comfort to many people. Just one person being absent or—if what happened in the Assembly as happened in the last Assembly when Ieuan Wyn Jones retired and we had a vacancy for one Member, the Assembly could have passed almost anything by 30 votes to 29. I don't think that's good for democracy or good for anything else, and, again, it could go the other way. So, this super-majority for major changes, I think, is a good step forward, and I would hope that that's something we'd support.

[23] I assume, at some stage, we're going to talk about the financial aspects of the Bill. Is that today or is that sometime in the future? As you probably heard me yesterday, I have certain views on the financial aspects of the Bill, not least of which is the need for mediation. I haven't bored anybody, apart from Nick, in this room with this statement, so this is the first time I start boring you with it. We know what happened with the London Olympics, where, eventually, the Treasury decided we were due something and it worked out at not one twentieth of the expenditure of the London Olympics. It worked out more like one eightieth of the expenditure on the London Olympics, or one hundredth of the expenditure on the London Olympics or something very small like that. There was no right of appeal, and that was the Treasury's decision: 'Yes, I suppose you deserve something, but

we'll discount all of this and you get some.' I have serious concerns with the Treasury acting as judge and jury on these things, and I think that we need somebody you're able to go to and say, 'We don't think we're being treated fairly here', and I have a view on the no-detriment clause and the importance of that, and Scotland did quite well out of it. There's a whole range of other things, but I'm not sure today's the right time. I think we need to go through it in great detail at some stage.

[24] **Simon Thomas:** Thank you, Mike. There's limited opportunity to scrutinise this because of the way the other place is looking at it, and their timetable for looking at it. So, there is information in the briefing around the impact of some of the clauses and the amendments from the Presiding Officer and the impact on the financial aspect of that. The super-majority is dealt with in the briefing as well, as regards, my understanding is, electoral arrangements, but also the resolution on income tax—is that correct? From the Presiding Officer's point of view, anyway.

[25] **Ms Varney-Jackson:** Well, I think that was just a simple majority.

[26] **Simon Thomas:** That's a simple majority.

[27] **Ms Varney-Jackson:** I think it was, yes.

[28] **Simon Thomas:** Apologies if I was wrong on that.

[29] **Ms Varney-Jackson:** Can I just interject, Chair, and say that, as regards the clauses in the Bill, they are mainly focusing on budgetary procedures, accounting and audit? And I will say that we have secured from the October 2015 draft some quite significant improvements in the provisions in this draft to what we had back at the end of last year. If you'd like some more detail on it, clause 12 is the place to look, and it will now allow the Assembly to legislate for a holistic financial framework rather than just dealing out the money that's handed to it, and will enable it to deal with various accounting requirements, and, hopefully, to smooth out the bumps in the auditing provisions in the current auditing landscape across various diverse pieces of legislation.

[30] **Simon Thomas:** David Rees.

[31] **David Rees:** Just a quick one. If there's been substantial improvement therefore in the Bill from the original draft, could we have a short briefing

paper to explain what those substantial improvements are? That would be very helpful for us, especially those of us who weren't on the committee previously.

[32] **Simon Thomas:** I'm sure that's possible.

[33] **Ms Varney-Jackson:** They are, actually. Most of them are in this briefing. If you want any more significant detail on what's there, I'd be very happy to provide that.

[34] **Simon Thomas:** Mark Reckless.

[35] **Mark Reckless:** I have found the research briefings very helpful on the Wales Bill and comparing the various versions. On tax-raising powers, my party is opposed to them being devolved without a referendum, and, of course, the current Wales Bill removes that referendum provision. The Presiding Officer's proposals on section 16, we would support that, if only because it would give the opportunity for seven members of my party, rather than just one, to vote against the devolution of tax-raising powers without a referendum. I wonder, in light of Mike's suggestion, whether this may be an area where that two-thirds majority is appropriate—the electoral system, the name of this institution—and whether we should have these income tax raising powers is so significant an issue, is there an argument for that power being subject to the two-thirds majority? I also wonder whether this committee would wish to have any role in the triggering of this mechanism. If the Assembly as a whole is to vote on it, would this committee wish to advise or scrutinise that resolution in any way?

[36] **Simon Thomas:** I think if you look at the Cabinet Secretary's statement yesterday, he envisaged the production of a resolution that would be for the Assembly. There would potentially be a role for the committee to scrutinise that resolution in advance of it being put before the Assembly and for us to produce a report on that resolution. So, yes, there is a potential role, which I don't think we need to address in amendments to a Wales Bill, but there's a role within the Standing Orders, potentially, for this committee to—. That hasn't been looked at in Standing Orders yet—we need to review Standing Orders—but there's a way of doing that, I understand.

[37] **Mark Reckless:** There's the issue of principle, but also I would have thought this committee would want to satisfy ourselves that we were ready in terms of the revenue authority and various technical aspects before that

power were transferred.

[38] **Simon Thomas:** Nick Ramsay.

[39] **Nick Ramsay:** Just to agree with Mark on this, I think it's inconceivable, really, that this committee wouldn't be playing some sort of role at that juncture, because it is such an important transition.

09:45

[40] **Simon Thomas:** I think that's envisaged, that the full Assembly—including committees and Plenary—would be playing a role in that. Just to reiterate though that the Business Committee has asked the Constitutional and Legislative Affairs Committee to take the lead on this, so we're not the lead committee on these aspects, just to be clear. Any other comments that you want to—? We do have another meeting next week, so, if you have any questions on the briefing, if you've got anything specific, come back to myself or the team, and then we'll provide further information, certainly.

[41] **Mike Hedges:** Just one simple question: what do we expect to get at the end of it? Are we just going to note the Bill, are we going to come up with recommendations on the financial parts of the Bill, or are we going to just wait for further information before doing anything?

[42] **Simon Thomas:** Well, my understanding is it's the Constitutional and Legislative Affairs Committee that's taking the lead, so they're the ones that are going to have to—. We can inform them, if that's what you'd like us to do.

[43] **Mike Hedges:** I don't actually hold a view on what I would like us to do, and I don't mind who does something, I just want to make sure that things don't fall through the cracks.

[44] **David Rees:** I think, if we're going to do anything, then we should inform the Constitutional and Legislative Affairs Committee, because, as you say, that's the lead committee, and our input, if we're doing anything, would help them come to conclusions in their report.

[45] **Simon Thomas:** My understanding is what the briefing has set out is the improvements—you know, the concerns that the previous committee had at the very loose initial draft Wales Bill. There are improvements there that

the Presiding Officer has put forward. These amendments, some of them have been debated, some of them haven't. We can perhaps give you fuller information about which aspects of this did get to the floor of the house and which were debated, and then see if, next week, you want to do anything further with them. We can do that. But, for the moment, it was tabled for your information and to fill in what's happened since the previous committee was looking at the Bill.

[46] **Mark Reckless:** I wonder whether I might ask Mike specifically, in the light of what you said about the two-thirds majority, and wanting a wider use of that: do you think this would be an appropriate area where you would want to see a two-thirds, rather than simply a majority, vote to trigger these income tax varying powers?

[47] **Mike Hedges:** Can I answer that in a more roundabout way? I think that anything that cannot be changed back easily needs a two-thirds majority, because that means that there is overwhelming support for it. And I think that, if you think that income tax powers, once devolved, are unlikely or difficult to move back or take away, then I think it probably does need a two-thirds majority. That's why I don't think you need it for an annual budget, because the following year's budget can, if so desired, change to something else. You can take £100 million out of education and give it to health, or the other way around, the following year. You can always put things right. If you haven't got the capacity easily to put it right, then I think a two-thirds majority gives some comfort that it's going through with support.

[48] **Mark Reckless:** I wonder, perhaps, if I could just ask the legal adviser: is my understanding correct that this Bill would be a one-way process and there's simply a trigger mechanism to devolve these powers without any provision within the Wales Bill to un-devolve them?

[49] **Ms Varney-Jackson:** That's my understanding.

[50] **Mark Reckless:** In which light, would the committee be willing to raise this point at least as something for the Constitutional and Legislative Affairs Committee to give some thought to?

[51] **Simon Thomas:** You can certainly put that to the committee, if you'd want the committee to consider that. I would make the wider point that I think that's a wider political—reasonable, but political—point, and, this afternoon, we have the Secretary of State here, where you'll get a chance in

Plenary to make that point to him. I would suggest that that's a point that's of a wider political resonance than just—. My own view is that it's got a wider political resonance than the Finance Committee, as such. This is really about the political arrangements around the decision of the Conservative Government not to go ahead with a referendum. You have concerns about that—I accept that, and you have quite rightly put them in Plenary and elsewhere. But I'm not sure—. I'm in the hands of the committee, but I'm not sure if the committee would want to make that resolution, but you can, of course. We'd be able to do so.

[52] **Mike Hedges:** I don't think it would be right for us to do it, because it's a constitutional matter, rather than a financial matter. If it's going to be made, I think it would be made either by the Constitutional and Legislative Affairs Committee or, more likely, by one or more political parties.

[53] **Mark Reckless:** But are we willing to notify CLAC at least of this discussion and ask them if it's an issue—leave it to them as to whether it's something they wish to take forward?

[54] **Simon Thomas:** I think it would be reasonable to draw the attention of CLAC to the fact that we've had this discussion, yes, that would be perfectly appropriate. But I think the wider political question is something to—. Well, as it happens, we get a chance to address it this afternoon in Plenary as well.

[55] **Eluned Morgan:** I think it's worth noting that the point Mike's making about irreversible decisions, if you want a two-thirds majority, we've just been through a referendum where we didn't have that situation and so there does seem to be an inconsistency there.

[56] **Simon Thomas:** We are certainly straying quite a way from the Wales Bill. [Laughter.]

[57] **Eluned Morgan:** I know. I just wanted to make that point. I'm still bruised.

[58] **Mark Reckless:** But is there really any inconsistency between either a referendum or a two-thirds majority of an elected body that has taken that decision without reference to the people in a referendum? Both are higher hurdles than we would usually have just being 50 per cent—

[59] **Simon Thomas:** I think it's important to differentiate between two

things here, which CLAC is the more appropriate thing to look at. But the difference between decisions that are properly taken by—as I am sure you would agree—the sovereign Westminster Parliament on these issues, which makes those decisions, and our own mechanisms, which are about ensuring that we have the appropriate mechanisms in our Standing Orders and within legislation that we might support to ensure that we have an effective way of bringing forward legislation, supported by a sustainable majority within the Assembly—. And that's, I think, the difference here. The decision not to hold a referendum is not our decision; it's a political decision elsewhere. David Rees.

[60] **David Rees:** Thank you, Chair. I'm just wondering whether we're straying into an area that is not in our remit as a committee, because I think the constitutional issues that you've been talking about are for the Constitutional and Legislative Affairs Committee.

[61] **Simon Thomas:** I would agree and I think that's why we bring their attention to the fact that we've discussed these aspects, but we'll leave it to them to make—. Great. Okay.

[62] **Eluned Morgan:** Just one more point, and that is on borrowing powers. I just think, in light of the fact that we are likely to see probably less money coming to Wales, whether, in these different circumstances, it's worth looking at the borrowing powers issue again. I don't want to open that whole debate, but I just need a refresher really on where we're at and is there any potential for us to look at that again in terms of broadening that ability to borrow money in the light of the new circumstances. Is that something that we can explore?

[63] **Simon Thomas:** It is and perhaps when we go into private session—we're looking at our forward work programme—we can come back to it then and see how you'd want to put that into the discussion that we can have then.

[64] **Mark Reckless:** Given the timing of the Wales Bill in Westminster, I wonder whether anything we say on the borrowing powers through an inquiry will be too late to influence that process. I just wondered whether there is a consensus on this committee that the extent—there's £500 million of borrowing powers, if that's to be allowed to come forward, then it should be for this Assembly to decide what that money's used for, rather than it only being for a particular type of M4 relief road. Is that something that we all

agree on or is there a political dispute around that?

[65] **Simon Thomas:** Again, I think that we are in the realms of political decision making and not actual financial legislation here.

[66] **Mike Hedges:** [*Inaudible.*]—as well. The last committee was in favour of the same prudential borrowing arrangements that exist for local government to exist for this Assembly, and, just to finish off, we thought that it was unreasonable that Cardiff Council can go out and borrow as much as it wants and believes it can pay back, but this Assembly can't—or this Welsh Government can't.

[67] **Simon Thomas:** Thank you, Mike, for reminding us that there has been that ongoing discussion, but the decision around the M4 and so forth again is a political link-in by the Treasury; it's nothing to do with the financial legislative aspects. So, again, we have another opportunity this afternoon to raise it directly with the representative of the Treasury, as it were.

[68] **Eluned Morgan:** I think it's worth taking note of what Mark says in terms of the timing. There is a very fast process already under way and our ability to influence is fairly limited in terms of—. But it's not impossible either. If they were in agreement around the kind of discussion that Mike's talking about, is it possible maybe to put it on the agenda next week? Is it too early?

[69] **Simon Thomas:** It's not too early, but my understanding and other—because we were in a previous committee, my understanding was that what the previous committee said as part of the debate around the previous draft Wales Bill—. So, the committee has had its—

[70] **Eluned Morgan:** So, we can pick that up—

[71] **Simon Thomas:** Yes.

[72] **Eluned Morgan:** —and run with that, and the Presiding Officer has not pushed that as an agenda item within this in terms of the amendments. I'm just wondering if there's an opportunity here for us to pursue that.

[73] **Simon Thomas:** No, she hasn't, but there have been other amendments, of course. The Wales Bill we're discussing now is different from the previous Wales Bill.

[74] **Eluned Morgan:** Yes.

[75] **Ms Varney-Jackson:** The amendments that the Presiding Officer put forward were what we've termed 'day one' amendments. They were the ones that were for consideration yesterday. I'm not certain whether there is something similar for 'day two' amendments next week. I'm sure—colleagues have been working on things. Borrowing powers, as Mike said, were considered by the committee in the previous Assembly. Of course, most of the borrowing powers that have been amended by Welsh Ministers emanate now in the Wales Act 2014, not from this draft.

[76] **Simon Thomas:** Nick Ramsay.

[77] **Nick Ramsay:** The £500 million borrowing allowable for the M4, that was an initial commitment of the UK Government, wasn't it? Once this process has gone through, we will then, in the longer term, have the ability ourselves to decide what we borrow for. Isn't that the situation?

[78] **Mr Jennings:** That was early access, yes.

[79] **Nick Ramsay:** Early access.

[80] **Mike Hedges:** Certainly, access to another £500 million—

[81] **Simon Thomas:** That was a political agreement, not a legislative agreement.

[82] **Nick Ramsay:** I see you're trying to keep us on—

[83] **Simon Thomas:** Yes, I'm trying to keep you on what the Finance Committee is responsible for.

[84] **Mike Hedges:** It's not prudential borrowing, which is what local authorities have got.

[85] **Simon Thomas:** And although the argument was made in the previous committee, that has not been taken forward in this Wales Bill either, but the borrowing powers emanate mostly from the previous Wales Bill. Okay?

[86] Diolch yn fawr iawn. Diolch am Thank you very much. Thank you for

y sgwrs. Byddwn yn tynnu sylw'r the discussion. We will be drawing pwyllgor materion cyfansoddiadol at the Constitutional and Legislative yr agweddu rydych wedi'u trafod Affairs Committee's attention to the heddiw, felly, ond iddyn nhw mae'r issues that you've discussed today, cyfrifoldeb yn mynd ymhellach. but, the responsibility for taking this further lies with that committee.

09:56

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod ac o'r Cyfan o'r Cyfarfod ar 14 Gorffennaf 2016
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting and from the Whole of the Meeting on 14 July 2016

Cynnig:

Motion:

bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod, a'r cyfarfod ar 14 remainder of the meeting, and the Gorffennaf, yn unol â Rheol Sefydlog meeting on 14 July, in accordance 17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[87] **Simon Thomas:** Rwyf nawr, felly, yn gofyn ichi gydsynio inni fynd i gyfarfod preifat o dan Reol Sefydlog 17.42 ac i wahardd y cyhoedd o weddill y cyfarfod heddiw a hefyd o'r cyfarfod cyfan wythnos nesaf ar 14 Gorffennaf. A yw pawb yn cydsynio? Mae pawb yn cytuno, felly. Awn ni mewn i gyfarfod preifat, felly. Diolch yn fawr.

Simon Thomas: I now ask you to consent for us to go into a private session under Standing Order 17.42 and to exclude the public from the remainder of the meeting today and the meeting on 14 July. Is everybody content? I see that all Members are content. So, we will now go into private session. Thank you.

Derbyniwyd y cynnig.

Motion agreed.

*Daeth rhan gyhoeddus y cyfarfod i ben am 09:57.
The public part of the meeting ended at 09:57.*

07/07/2016