



Alun Davies AM
Deputy Minister for Agriculture,
Food, Fisheries and European
Programmes
Welsh Government
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24 October 2012

Dear Alun

Welsh Government draft budget 2013-14

Thank you for your appearance before us on 18 October 2012. We have set out our conclusions from the session in a letter to the Finance Committee, a copy of which is enclosed.

In summary, we have highlighted the following areas to the Finance Committee for consideration:

- Reliance on central staffing budgets
- Fisheries enforcement vessels
- Transfer of fisheries functions
- EID database
- Re-profiling of RDP budget
- Food promotion grants

As you will see from our submission to the Finance Committee, we wish to make requests to you in some of these areas. These requests compliment the information set out in the letter to Finance Committee. For ease of cross reference, the numbers following each heading below relate to the relevant paragraph of the letter to the Finance Committee. I set out our requests below:

- ***Fisheries enforcement vessels (1.3)*** – We intend to maintain a watching brief in this area and ask that you provide us with details of progress as soon as you agree on a way forward for the procurement of vessels, or in January 2013 depending on which is sooner. At that point, we will be interested to see the source of capital funding you have identified for this programme.

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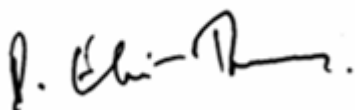
- **Transfer of fisheries functions (1.4)** – We ask that you clarify whether the increased IT costs associated with the further devolution of powers will fall due in the current financial year, or whether funds will be needed in 2013-14?
- **EID database (1.5)** – You stated that you will need to find additional funding for the EID database, and that would be in the order of £2-3 million. At the time of your appearance before us, you were unable to provide further details of where this funding would come from. In the context of the limited flexibility available within your budget, we ask that you inform us of any planned changes to your 2013-14 budget allocations to accommodate this additional funding as soon as possible.
- **Re-profiling the RDP plans (3.3)** – We ask that you provide us with details of the extent of the re-profiling, a timeline for the re-profiling and the level of risk that exists of some funds having to be returned to the EU.
- **Food promotion grants (4.2)** – we were interested to hear about the level of objective setting placed on recipients of food promotions grants, specifically turnover and job creation. You said that you could obtain a global picture of performance against these objectives. We ask that you begin work to pull this information together as this is an area that we intend to consider further.

More generally, you responded to several questions around resourcing by referring to sufficient finance being available from central departmental and Welsh Government-level staffing budgets. We have some concern that a number of Welsh Government's policy and legislative priorities are at risk if you are unable to access sufficient finance for their delivery. We would expect in future scrutiny for you to be able to clearly identify for the Committee your success in accessing these funds to increase your department's capacity to deliver on its stated outcomes.

There have been improvements in the presentation and clarity of the budget papers and the written evidence provided. We welcome moves towards greater transparency; however there is still considerable room for improvement. Whilst steps have been taken towards linking financial planning with Programme for Government policy objectives, more needs to be done to make these links clear. Greater clarity is needed to enable more comprehensive financial scrutiny and we expect further improvements when we return to in-year financial scrutiny and scrutiny of the 2014-15 draft budget next autumn.

I thank you again for your appearance before us. I look forward to receiving your response.

Yours sincerely



Dafydd Elis-Thomas AM
Chair of the Environment and Sustainability Committee
c.c. Chair of Finance Committee