

Peredur Owen Griffiths MS  
Chair, Finance Committee

26 April 2023

Dear Peredur,

### **Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government**

Thank you for your letter regarding the Welsh Government's Draft Budget documentation which we considered at our meeting on 23 March.

We discussed ways in which budget documentation and subsequent ministerial written evidence could be improved, including:

#### **Timeliness**

As you know, the time available for scrutiny of the Draft Budget by committees is very limited. We feel that the tight timescales make it challenging to meaningfully assess the impact of the Draft Budget on the policy areas within our remit, namely local government and housing. Effective and robust scrutiny of the Draft Budget is further curtailed by the Christmas recess. This year, this challenge was exacerbated by the fact that we did not receive the Minister for Climate Change's written evidence on the Draft Budget until late on 22 December, over a week after it was originally requested, leaving only one working day before Christmas Shutdown for officials to consider the paper. Not receiving ministerial written evidence alongside the publication of the Draft Budget is frustrating when the timetable for scrutiny has already been reduced.

We believe that the time available for Draft Budget scrutiny during the past two years has been insufficient and the process rushed. We have two significant policy areas within our remit, and in order to scrutinise the Draft Budget and the Local Government Settlement effectively, an evidence session with the Welsh Local Government Association is essential. This is in addition to the two scrutiny sessions with the relevant Ministers. Within this short timeframe, we also need to schedule time to reflect on the evidence received and draft and consider a report. This year, we were unable to

publish the English version of our report on the Draft Budget until late afternoon on the day of the reporting deadline; the Welsh version was not published until the morning of the debate in Plenary. This highlights how challenging it can be to meet the scrutiny deadline. This also raises questions in relation to the extent in which Senedd Members, the Welsh Government and stakeholders can meaningfully consider committee reports before the debate.

### **Quality and usefulness**


We believe that there is room for more clarity and transparency in the Welsh Government's Draft Budget documentation and ministerial written evidence. We have struggled to ascertain some of the impacts of the Draft Budget and relied on our researchers to raise areas of cuts to budgets with us. For example, it was not clear in the Draft Budget documentation that there had been a real terms reduction in some unchanged budgets. Despite the Housing Support Grant allocation remaining at £166.8 million in cash terms, it is in fact a real terms reduction given the effects of inflation. We believe that the Welsh Government should be more transparent in the way it presents information in the Draft Budget, especially given that budgets will not go as far given the impact of inflation.

Likewise, we ask that the Welsh Government be more transparent when funding has to be reprioritised. It would be helpful if the Welsh Government could provide more transparency in relation to the implications of decisions made, by setting out where funding has been allocated to actions within another area, the reasons for doing so, and the consequences of reprioritisation.

We believe that the Welsh Government should also ensure clarity and consistency throughout its Draft Budget documentation and written evidence when referring to budget allocations. Our researchers often find inconsistent usage of figures in different Draft Budget papers, and is particularly prevalent when the focus is on local government funding. In addition to the standard budget documentation and ministerial paper, a local government funding settlement document is published a day after the Draft Budget. It is crucial that we are able to understand and analyse the information presented to us in order to scrutinise effectively.

I hope that your Committee and the Minister for Finance and Local Government will find this feedback helpful.

Yours sincerely,



John Griffiths MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.