

July 2016

A call for information – Welsh Government draft budget proposals for 2017–18

The Committees of the National Assembly are seeking information to inform their scrutiny of the Welsh Government's 2017–18 Draft Budget proposals. We are interested in exploring expectations of the 2017–18 budget, including financial readiness for the 2017–18 year and the impact of the 2016–17 budget.

We do not know as yet, what the draft budget proposals will look like, as they will not be published until October 2016.

The [Finance Committee](#) looks at the Welsh Government's budget from a strategic, overarching perspective. We also work with the other Assembly Committees to ensure that proposals for specific departments, or cabinet portfolios are considered in detail. Committees will each undertake their own focussed evidence sessions with the relevant Cabinet Secretaries and Ministers in order to examine the areas of the budget that fall within their respective remits, and then report to Finance Committee, detailing any concerns they have. Further details on Assembly Committees and the budget process can be found at [Annex 1](#).

In this paper we have detailed specific questions at [Annex 2](#). You can answer any/all of these, or just let us know in general terms about your views in relation to the draft budget.

Disclosure of Information

Please ensure that you have considered the Assembly's [policy on disclosure of information](#) carefully before submitting information to the Committee. Alternatively a hard copy of this policy can be requested by contacting the Clerk, Bethan Davies (0300 200 6372 seneddfinance@assembly.wales).

Providing information to the Committee

Interested parties are invited to submit written evidence to the Clerk of the Finance Committee to arrive by 21 September 2016.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Thomas'.

Simon Thomas
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Annex 1 – Background information

Who are we?

The Finance Committee is a cross party committee of the National Assembly for Wales, made up of Members from four political parties represented at the Assembly.

The Committee is not part of the Welsh Government. Rather, the Committee is responsible for reporting on proposals laid before the Assembly by Welsh Ministers relating to the use of resources.

Who are the other Committees involved in scrutinising the budget?

The other Committees involved in scrutinising the budget are:

- Children, Young People and Education Committee
- Climate Change, Environment and Rural Affairs Committee
- Culture, Welsh Language and Communications Committee
- Economy, Infrastructure and Skills Committee
- Equality, Local Government and Communities Committee
- Health, Social Care and Sport Committee

What is the Welsh Government's draft budget?

The draft budget proposals must contain details of the amount of resources the Welsh Government proposes to use in the following financial year and indicative figures for the subsequent two financial years. More specifically it should set out:

- The use of resources by the Welsh Government, Assembly Commission, Auditor General and Public Services Ombudsman for Wales.
- Income to be retained by those organisations (rather than being surrendered to the Welsh Consolidated Fund).
- Cash to be withdrawn from the Welsh Consolidated Fund by those organisations.

The Welsh Government provide a narrative document which further explains detailed allocations to government departments, as well as reserves and other overall allocations.

Why are we not doing this consultation after the Welsh Government's draft budget proposals have been published?

Responding to this consultation will not preclude stakeholders from also providing information, evidence, concerns and suggested areas for scrutiny to National Assembly for Wales Committees **after** the publication of the Welsh Government's draft budget proposals (18 October 2016).

However, Committees will usually begin scrutinising Cabinet Secretaries and Ministers on the content on the draft budget 1-2 weeks after it has been published, with a view to passing on their findings to the Finance Committee in late October. The Finance Committee is itself required to report on the draft budget by 29 November 2016.

This means that there is usually very limited time (1-2 weeks) for stakeholders to suggest areas of concern to Committees. By doing this consultation now, we hope stakeholders will have more time to consider the potential impact of the budget.

However, after publication of the draft Budget we intend to run a conversation on the draft budget – if you want to be involved with this please email the seneddfinance@assembly.wales

Annex 2

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2016–17 budget?
2. What expectations do you have of the 2017–18 draft budget proposals?
3. How financially prepared is your organisation for the 2017–18 financial year, and how robust is your ability to plan for future years?
4. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?
 - Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)
 - Welsh Government policies to reduce poverty, mitigate welfare reform and prepare for an aging population
 - Sustainability of public services, innovation and service transformation
 - Local health board financial arrangements
 - Preparation for the UK to leave the EU
 - Low carbon budgeting and preparing for the Future Generations Act
 - Preparation for the impact of further devolution included with the Wales Bill
 - Impact of the Welsh Government's legislative programme and whether its implementation is sufficiently resourced
 - Scrutiny of Welsh language, equalities and sustainability
5. The previous Welsh Government have highlighted that the Draft budget 2017-18 will be aligned with [national indicators](#) for Wales.
 - What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on preventative spending?

- What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on reduction or eradication of poverty?
6. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on preventative spending and, in particular, the area of health and social services?
 7. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on reducing poverty and preparing for an aging population?
 8. Do you feel that allocations made by the Welsh Government are sufficiently evidence based?
 9. What changes to allocations and priorities do you feel need to be reflected in the draft budget 2017-18 and subsequent years as a result of the vote to leave the EU?
 10. What long term planning is carried out to fully deliver on preventative spending strategies and how do you plan for this within short term budget periods?
 11. What baseline evidence is used to measure preventative outcomes?
 12. How can good examples of service transformation and innovation be encouraged and shared nationally across key agencies and what is the role for the Welsh Government here?