

A call for information – Welsh Government Draft Budget proposals for 2021–22

The Committees of the Welsh Parliament are seeking information to inform their scrutiny of the Welsh Government's 2021–22 Draft Budget proposals. We are interested in exploring expectations of the 2021–22 Budget, including financial readiness for the 2021–22 year and the impact of the 2020–21 Budget. In addition, the 2021–22 Draft Budget will be impacted by the focus of recovery from the Covid-19 pandemic.

The Welsh Government's draft budget is usually published in October. However, this year it will be delayed as the Welsh Government does not have an indication of the total funding available until the UK Government publish a UK Departmental Spending plans.

The Minister for Finance and Trefnydd has announced that the Welsh Government is planning to publish the outline and detailed draft Budgets together on 8 December 2020, and the final Budget on 2 March 2021.

The [Finance Committee](#) looks at the Welsh Government's budget from a strategic, overarching perspective. We also work with the other Senedd Committees to ensure that proposals for specific departments, or ministerial portfolios are considered in detail. Committees will each undertake their own focussed evidence sessions in order to examine the areas of the budget that fall within their respective remits. Further details on Senedd 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.

Given the current social restrictions, the Finance Committee was unable to hold its annual stakeholder event. Instead, the Committee undertook online polls and questions asking the public to suggest areas that should be prioritised. A summary is available [here](#).

Disclosure of Information

The Senedd's policy on disclosure of information can be accessed [here](#), please ensure that you have considered these details 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@senedd.wales).

Providing information to the Committee

Interested parties are invited to submit written evidence to the Clerk of the Finance Committee to arrive by **Friday 27 November 2020**. If you wish to contribute but are concerned that you won't be able to meet this deadline, please speak with the Clerk of the Committee on 0300 200 6372.

The Welsh Parliament has two official languages, Welsh and English. In line with the Senedd's Official Languages Scheme, the Committee requests that documents or written responses to consultations intended for publication or use in Senedd proceedings are submitted bilingually. When documents or written responses are not submitted bilingually, we will publish in the language submitted, stating that it has been received in that language only.

We expect other organisations to implement their own standards or schemes and to comply with their statutory obligations.

Yours sincerely



Llyr Gruffydd MS
Chair of the 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 Welsh Parliament, made up of Members from four political parties represented at the Welsh Parliament.

The Committee is not part of the Welsh Government. Rather, the Committee is responsible for reporting on proposals laid before the Welsh Parliament 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
- External Affairs and Additional Legislation 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 and cash to be withdrawn from the Welsh Consolidated Fund by the Welsh Government, Senedd Commission, Audit Wales and Public Services Ombudsman for Wales.
- how expenditure proposals will be financed, including taxation and borrowing plans.
- income to be retained by those organisations (rather than being surrendered to the Welsh Consolidated Fund).

It is expected the Welsh Government will release an initial outline draft budget setting out high-level strategic spending and financing plans and a more detailed draft budget three weeks later.

The Welsh Government will also provide a narrative document which sets out allocations within departments, how proposals align with priorities and desired outcomes. The Welsh Government will also provide forecasts of taxation, borrowing and debt.

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 Senedd Committees **after** the publication of the Welsh Government's outline draft budget proposals or the detailed budget proposals.

There is a very limited time for stakeholders to suggest areas of concern to Committees after the detail of the draft budget has been published. By doing this consultation now, we hope stakeholders will have more time to consider the potential impact of the budget.

Annex 2

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2020–21 budget including recent funding related to COVID–19?
2. How do you think Welsh Government priorities for 2021–22 should change to respond to COVID–19?
3. How financially prepared is your organisation for the 2021–22 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?
4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?.
5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits to current Welsh Government borrowing within this Framework.
6. 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 any of the areas identified below, particularly in light of the COVID–19 situation and how these should be reflected in the 2021–22 budget?
 - *How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.*
 - *To what extent alleviating climate change should be prioritised in supporting economic recovery.*
 - *Welsh Government policies to reduce poverty and gender inequality.*
 - *Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)*
 - *Sustainability of public services, innovation and service transformation*

- *How evidence is driving Welsh Government priority setting and budget allocations*
- *How the Welsh Government should use taxation powers and borrowing.*
- *Support for businesses. economic growth and agriculture after EU transition ends.*
- *What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)*