

Alun Davies AM

Cabinet Secretary for Local Government and Public Services

Rebecca Evans AM

Minister for Housing and Regeneration

17 August 2018

Dear Alun and Rebecca

Draft budget scrutiny 2019–20

Thank you for agreeing to attend the Committee's meetings on the following dates:

- **Alun Davies:** Thursday 15 November, 11:00– 12:30, and
- **Rebecca Evans:** Thursday 15 November, 09:30 – 11:00.

In advance of these meetings, we would be grateful for a detailed paper on the allocations in your portfolios, based around the Finance Committee's agreed principles of financial scrutiny, which are:

- **Affordability** – to look at the big picture of total revenue and expenditure, and whether these are appropriately balanced;
- **Prioritisation** – whether the division of allocations between different sectors/programmes is justifiable and coherent;
- **Value for money** – Essentially, are public bodies spending their allocations well – economy, efficiency and effectiveness (i.e.) outcomes; and
- **Budget processes** – are they effective and accessible and whether there is integration between corporate and service planning and performance and financial management.

The Finance Committee are also interested in the following areas **in relation to each Cabinet portfolio:**



- How the Welsh Government should use **taxation and borrowing powers**, particularly in relation to the Welsh Rate of Income Tax;
- Approach to **preventative spending**¹ and how is this represented in resource allocation, particularly in relation to the financing of local health boards and health and social care services ;
- Sustainability of **public services, innovation and service transformation**;
- Welsh Government policies to **promote economic growth, reduce poverty, gender inequality and mitigate welfare reform**;
- The Welsh Government's **planning and preparedness for Brexit**;
- How **evidence** is driving Welsh Government priority setting and budget allocations, and
- How the **Wellbeing of Future Generations (Wales) Act** is influencing policy making.

Key policies

Alongside the information requested by the Finance Committee, our Committee would like some specific information in advance of its meetings to help inform scrutiny of the issues within its portfolio.

Local government and public services

- Details around any revisions made to the **Local Government Funding Formula** this year, along with details relating to decisions about the **funding floor**.
- How the Welsh Government intends to **monitor** local authority spending on areas identified as funding priorities by the Welsh Government? Specifically, the provision of **£62 million through the schools element** and **£42 million through the social care element** of the settlement.

¹ Preventative spending is spending which focuses on preventing problems and eases future demand on services by intervening early.



- Details around **grant allocations** for 2019–20. Which grants will be amalgamated and which grants will be absorbed into the RSG or central reserves?
- How the decision to introduce legislation next year to **reform local government** has influenced or impacted on the budget allocations for 2019–20.
- Examples of how the **Integrated Care Fund** supports projects that deliver more effective and integrated social care services in Wales. This includes an update on the £2m allocated for the national roll-out of the Welsh Community Care IT system.

Housing, regeneration and poverty

- The outcome of the evaluation of the ‘flexible funding’ project for **the Early Intervention, Prevention and Support Grant**, and what decisions have been made about how the grant will be administered in the future;
- How allocations will help deliver additional **affordable housing**, bring **empty homes back** into use and support **home ownership initiatives**, including specific allocations targeted at rural areas;
- Details of allocations affecting **homelessness** services including details of how the additional £10 million provided in 2018–19 has been allocated and how the previously announced additional funding to combat youth homelessness in 2019–20 will be utilised;
- Details of any allocations that have been made to improve **fire safety** in the public and private sectors following the tragedy at Grenfell Tower;
- How data from the enhanced **home adaptations** system has helped shape funding allocations for Care and Repair and home adaptation services and details of ongoing monitoring of these funding programmes;
- Details of allocations for **Targeted Regeneration Investment**;
- How the full rollout of **Universal Credit** in Wales in 2018–19 has been taken into account during budget decision making, and how preventative spending has been allocated to account for this;




- The spending profile of the **Discretionary Assistance Fund** in 2017–18, and reasons for any under/over spends;
- Information on the **Communities First Legacy Funding** including: how it has been used, the outcomes achieved and how is it monitored;
- Example of how the increased **Communities Facilities Programme** budget has been used in the last year;
- How allocations reflect the commitment in *Prosperity for all* to “build a sustainable relationship with the **voluntary sector** [based on] the right funding model”;

Legislation

- Information on the impact on the budget of any **UK legislation**;
- Plans for funding **Welsh legislation** in 2019–20 (including *Abolition of the Right to Buy and Associated Rights (Wales) Act 2018*, *Regulation of Registered Social Landlords (Wales) Act 2018*, *Renting Homes (Wales) Act 2016*, *Renting Homes (fees etc.) (Wales) Bill* and the *Violence Against Women, Domestic Abuse and Asexual Violence Wales Act 2015*).

Please provide the Committee with a bilingual paper in relation to these matters by 25 October.

Yours sincerely



John Griffiths AM
Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

