

CYPE(6)-24-22 - Paper to note 1

Senedd Cymru
Y Pwyllgor Cyllid

—
Welsh Parliament
Finance Committee

Mark Drakeford MS
First Minister

16 November 2022

Dear First Minister

Scrutiny of the financial implications of Bills

I am writing to you given your overarching responsibility for the Welsh Government's Legislative Programme.

The Finance Committee is deeply concerned that the Welsh Government has moved away from the practice in the Fifth Senedd of providing a written response to Committee Stage 1 reports before the Stage 1 debate takes place and before the Senedd is required to agree a Financial Resolution.

The Finance Committee's role is to consider the financial implications of Bills and our reports often conclude that we are content with the financial information contained alongside Government Bills subject to a commitment from the Minister to provide further financial information that we have requested. As the motion to agree a Financial Resolution usually takes place straight after the Stage 1 motion has been agreed, the Welsh Government's refusal to provide a formal response to our recommendations means that the Senedd is being asked to agree to committing resources before the Minister's views are known. We consider this to be unacceptable and it undermines the scrutiny process.

The Committee has considered the financial implications of all Bills that have been introduced this Senedd, excluding the consolidation Bill which is subject to different procedures. In our scrutiny of the first Bill introduced, the *Tertiary Education and Research (Wales) Bill*, we set out our expectation for this Senedd that RIAs should contain the best estimate possible for costs and benefits to enable us to fully scrutinise the overall financial implications of a Bill. This built on issues outlined in the Fifth Senedd Finance Committee's Legacy Report which sets out further expectations in terms of the presentation of financial information that all Bills should adhere to.



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We have recently received the Welsh Government's response to our recommendations on the *Environmental Protection (Single-use Plastics Products) (Wales) Bill*. The Committee was disappointed that in many cases the Minister has "agreed in principle" to provide further financial information requested. However, the preamble suggests that the Minister's officials are assessing the feasibility of updating the original cost and, if they are able to, "any work will take at least six months to complete". Even if the costs will be updated, the Bill is likely to have completed its legislative passage through the Senedd by the time the information is available.

This is simply not good enough. It is unhelpful to receive this information after the Senedd has already agreed to the Financial Resolution. It also undermines the Committee's efforts which, in turn, greatly increases the risk of the Senedd passing bad laws with uncertain financial outcomes that could place significant pressures on already stretched budgets.

We therefore request that Ministers revert to previous practice and provide a written response to the Finance Committee's recommendations prior to the Stage 1 debate and the consideration of a Financial Resolution as a matter of principle. This will ensure the Senedd is able to make an informed decision in relation to committing resources.

I would be grateful if you would circulate this letter to your cabinet colleagues. I am also sending a copy to the Business Committee and Chairs of Policy Committees.

Yours sincerely



Peredur Owen Griffiths MS
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.



We welcome correspondence in Welsh or English.

