

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

**Economy, Trade, and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Vaughan Gething MS
Minister for Economy

23 August 2023

Request for information to inform scrutiny of Draft Budget 2024–25

Dear Vaughan,

I am writing to request written information to support our scrutiny of the Welsh Government's Draft Budget 2024-25. As you will know, arrangements are being made for you to attend a Committee meeting in January 2024 to give oral evidence on the matter.

The annex to this letter sets out in detail the information that we would like to receive. Of course, you should not feel limited by our request, and are welcome to address any other issues you believe will assist the Committee in its budget scrutiny work.

Given the overlap between your portfolio and that of the Minister for Education and Welsh Language with regard to funding for skills, apprenticeships, and research and development, I have copied in Jayne Bryant MS, Chair of the Children, Young People and Education Committee (CYPE). We will review the evidence provided to CYPE in budget scrutiny before making our report to the Senedd.

With many thanks for assisting us in our scrutiny work.

Kind regards,



**Senedd Cymru
Welsh Parliament**

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

CC: Jayne Bryant MS, Chair, Children, Young People and Education Committee

We welcome correspondence in Welsh or English



Annex

Request for information from the Minister for Economy to inform the Economy, Trade and Rural Affairs Committee scrutiny of the draft budget 2024-25.

Presentation of the budget

The Committee will present its findings on the Draft Budget according to an agreed coordinated approach centred on four principles of financial scrutiny:

- 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.

Please provide the following for the Economy draft budget as a whole:

- A breakdown of the 2024-25 draft budget, and any future indicative budgets, by Spending Programme Area, Action and Budget Expenditure Line (BEL), both revenue and capital, along with 2023-24 Budget allocations as a comparison;
- Details of the evidence base for budget decisions;
- A narrative description of the main policies and programmes funded by each Budget Expenditure Line;
- Details of the processes in place for monitoring budgets throughout the year, identifying potential deficits and surpluses, and taking remedial action to get the budget back on track or allocating additional funds to cover any shortfalls;
- Details of any policy or programme evaluation reports/reviews which have informed changes to the draft budget to help to ensure value for money;



- The implications of increased cost of living on budget allocations and programmes;
- Any implications for the draft budget relating to long-term recovery from the Covid-19 pandemic;
- Any ongoing implications of implementing new arrangements and obligations under the UK-EU Trade and Cooperation Agreement;
- How the Minister is planning to manage any negative impact on budgets within the portfolio arising from the ending of Structural Funds and/or seeking to take advantage of any opportunities that may arise;
- How the draft budget provides for the implementation of legislation passed in the Senedd, as well as any relevant UK legislation;
- What account has been taken of the Wellbeing of Future Generations (Wales) Act 2015 in deciding draft budget allocations;
- Details of how the draft budget has been influenced by equality, sustainability and Welsh language impact assessments;
- How the draft budget reflects the Welsh Government's long-term commitment to reduce the impact of deprivation and poverty; and
- How the Minister has planned for demographic changes in preparing his draft budget, particularly the need to plan for an ageing population.

Preventative Spending:

We will consider preventative spending as part of our scrutiny of the Draft Budget. The definition of preventative spending adopted for this purpose is:

spending which focuses on preventing problems and eases future demand on services by intervening early, thereby delivering better outcomes and value for money.

With this definition in mind, we request information on:

- The proportion of the Economy budget allocated to preventative spending measures;

- Details of specific policies or programmes relevant to the remit of this Committee that are intended to be preventative, and how in practice public services are being transformed to ensure they are sustainable in future; and
- How the value for money of such programmes is evaluated, with a particular focus on what the specific inputs and intended outcomes are.

Individual budget expenditure lines

As well as general information on the individual Budget Expenditure Lines relevant to the Committee, we would like to receive the following information on the policies and issues outlined below:

- Details of the costs and/or any work undertaken to assess the cost of delivering these policies in 2024-25;
- Information relating to how the delivery of the policy and its associated outcomes will be monitored and evaluated to demonstrate value for money; and
- we are keen to see how equality, sustainability and consideration for the Welsh language have influenced budget allocations.

Economy:

- Support to help business and workers as a result of the increased cost of living;
- Ongoing support to help businesses with long-term recovery from the pandemic;
- Any allocations in relation to the Freeport Programme in Wales;
- Any allocations in relation to the potential creation of 'investment zones' in Wales.
- Allocations to support regional economic development, including those made to develop and deliver the regional economic frameworks, Tech Valleys, and the Arfor 2 programme.
- The financial allocations associated with the foundational economy and the Backing Local Firms Fund;

- The Development Bank for Wales – including support for employee owned businesses;
- Financial allocations to Business Wales;
- The financial allocations to deliver the Programme for Government commitment to ‘seek to double the number of employee-owned businesses’;
- The Community Bank;
- Support for key manufacturing sectors such as aerospace, automotive and steel;
- The allocations to deliver Welcome to Wales: priorities for the visitor economy 2020-25, including the ‘Wales Tourism Investment Fund’ and ‘Brilliant Basics Fund’;
- Support to deliver ‘Together for retail: a Wales Retail Forum action plan’;
- Allocations to support businesses and workers in the transition to Net Zero, such as those to support the creation of sustainable green jobs, and those that ensure that workers will have the necessary skills for these jobs;
- Detail on budget allocations to support delivery of the Welsh Government’s remote working strategy;

Skills & Employability:

- The total quantum of funding intended to be deployed on delivering the Young Persons Guarantee in 2024/25.
- The level of funding intended to be deployed to deliver Personal Learning Accounts in 2024-25.
- A consolidated list of all employability programmes funded by the Skills BEL, including:
 - The intended client base / beneficiaries of each programme;
 - Whether they are part of a larger ‘umbrella’ scheme (i.e. the Young Persons Guarantee)

- A list detailing the main providers for each of the programmes including their 2024-25 contract values.

Work-based Learning:

- The actual 2022-23 and forecast 2023-24 outturn for the apprenticeship programme and traineeship programme;
- Details of any transfers out of the 2024-25 Work-Based Learning Action to fund Degree Apprenticeships;
- Details of any funding utilised in 2023-24 and forecast to be used in 2024-25 to
 - Develop new apprenticeship frameworks;
 - review existing apprenticeship frameworks.
- Details of all demand-management restrictions and actions to manage apprenticeship demand that are in-place, or will be introduced for the apprenticeship programme during 2024-25.

Regional Skills Partnerships / Employer Engagement:

- Details of the funding to be provided to each Regional Skills Partnership and for what purpose;
- Details of any other funding intended to support the operation of Regional Skills Partnerships but which is not allocated directly to them.

Research, Development and Innovation

- Details of any funding during 2024-25 intended to resource Welsh Government's five priorities for research, development and innovation in Wales; including any funding aimed at ensuring Wales has a fair share of available research, development and innovation funding including any EU funding replacements;
- Details of any funding during 2024-25 intended to resource the Innovation Strategy for Wales;



- Details of the funding for research and innovation across the whole of Welsh Government.

Trade

- Details of any funding support for trade including promotion, support for businesses or investment in infrastructure linked to trade;
- The financial allocations to deliver the 'Export Action Plan for Wales';
- Details of any funding during 2024-25 intended for the development, construction and associated running costs of Border Control posts in Wales.

