

David Melding AM  
Chair  
Constitutional and Legislative Affairs Committee

16 April 2015

Dear David,

**Inquiry: Making laws in the Fourth Assembly**

Thank you for your letter dated 26 March. Unfortunately, I am not in a position to provide further detail on any standing order changes at this stage.

Following the passing of the Wales Act the Assembly and the Welsh Government will need to look at the procedures needed for the scrutiny of the new borrowing and taxation powers, which will include finance Bills and the possibility of an annual budget Bill.

As you are aware the Finance Committee has published two reports on 'Best Practice Budget Procedures'. In these reports the Committee has refrained from prescribing any specific process which we believe should be adopted. We have made some suggestions but as a Committee we felt that the detail of the changes should be a matter for the Government and the Assembly to decide ensuring there is cross party agreement and the needs of the executive and the legislature are met.

That said, it is clear that there will need to be changes to standing orders, particularly in relation to the budget procedure. For example, the Committee have suggested a move to an annual budget Bill, and it is likely that a Bill of this



nature would require a distinct set of standing orders. You may find it helpful to look at the 'suggested outline budget process' (annex A, copy attached for your information) which we have published as part of our report. You will note that this suggests standing orders could provide for a fast track stage 1 process for a budget Bill.

In relation to taxation Bills, at this stage I would not envisage any change from the normal Bill 4-stage Bill procedure for the passing of these taxation Bills. Should the Government bring forward suggestions for changing the standing orders in relation to finance Bills then this is something which would need to be considered on the merit of the Government's suggestions at that time.

I am sure you will appreciate it is quite early in the process of devolving the new fiscal powers and as such it is difficult to detail standing order changes which may be required.

I hope the information I have detailed is helpful to your inquiry.

Yours sincerely,



**Jocelyn Davies AM**  
**Chair**



**Y Pwyllgor Materion Cyfansoddiadol a Deddfwriaethol  
Constitutional and Legislative Affairs Committee**

Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



Jocelyn Davies AM  
Chair  
Finance Committee  
Cardiff Bay  
Cardiff CF99 1NA

26 March 2015

Dear Jocelyn

**Inquiry: Making Laws in the Fourth Assembly**

We took evidence from the Minister for Finance and Government Business in connection with the above inquiry on 16 March 2015.

One of the issues we raised concerned the following comments made in the Welsh Government's written evidence:

“24. Looking ahead, the Government envisages that it may also be appropriate to deal with certain financial or tax revenue issues through an alternative scrutiny process...”

When we asked the Minister about the different scrutiny processes that might be appropriate for finance or tax bills, she referred to work undertaken by your Committee relating to best practice for budget processes.

We would be grateful to receive further information about this work and how it relates to standing order changes that may be needed to accommodate the legislative scrutiny of finance, budget or tax bills. It would also be helpful to

Bae Caerdydd  
Caerdydd  
CF99 1NA

Cardiff Bay  
Cardiff  
CF99 1NA

Ffôn / Tel: 0300 200 6362  
E-bost / Email: [gareth.williams@assembly.wales](mailto:gareth.williams@assembly.wales)

have details on the timeframe over which you envisage these changes happening.

I would be grateful to receive your response by 23 April 2015.

Yours sincerely

A handwritten signature in black ink that reads "David Melding". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

**David Melding AM**  
**Chair**