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Deputy Llywydd  
Chair, Llywydd's Committee  
Senedd Cymru  
Cardiff Bay  
Cardiff  
CF99 1SN

08 June 2023

Dear Chair,

### **Review of the Statement of Principles**

Thank you for the invitation to comment on the Finance Committee's proposed statement of principles for financial scrutiny. We have gathered views from within the Electoral Commission and hope the feedback provided is helpful in informing the Llywydd's Committee's response.

The Commission supports the clarity provided by having a statement of principles for the Finance Committee. Clearly, this statement is based on beliefs and intentions, and each statement is both understood and largely supported. However, further clarity on the application of the principles would be welcomed.

Our views on principles 3 to 7 are detailed below.

**Principle 3. Budget requests should be set in the context of the long-term financial funding situation in Wales and funding pressures in the wider public sector.**

- We suggest that the context of these pressures is explained in advance of bids being finalised to ensure proposed priorities are aligned to expectations on affordability and focused on the Senedd's priorities.

**Principle 4. Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved.**

- We agree there is a need to appreciate context on one-year settlements, linking to medium to longer term priorities and gaining confidence of progress being on track.

**Principle 5. DFBs should not assume an increase in funding, regardless of the block grant change as any increase to their funding reduces resources available to other devolved public bodies.**

- We agree that measures should avoid cost creep, however consideration will need to be given to what will be considered unavoidable inflationary pressures, especially agreed pay awards and unavoidable contractual increases. In addition,

real terms reductions in funding may have consequences on outputs and outcomes and so we suggest these need to be clearly stated.

**Principle 6. DFBs should continually seek to improve processes and accrue efficiencies.**

- We agree that efficiencies should continue to form a key element of a balanced bid.
- *Point of clarity: Is this principle suggesting that efficiencies should be clearly identified and stated as part of the bid processes? Will this also consider cessation of specific services that are not perceived as good value and/or unaffordable?*

**Principle 7. Where any increases in funding are requested, these should be backed by evidence both of the need, benefit and attempts that have been made to reduce such costs. Also, the consequences of not obtaining the requested increase in resource should be made clear and quantified.**

- We agree growth of spend should be justified based on expected benefits and perceived outputs and outcomes. However, we suggest consideration is also given to other elements of outcome delivery, including public perceptions, organisational capacity and effective use of resources to ensure a balanced case of value for money is considered.
- Could consideration be given to highlight key and/or significant risks within the proposals?

Thank you again for the opportunity to comment, and I hope our response is useful.

Yours sincerely,



**Shaun McNally CBE**  
**Chief Executive and Accounting Officer**