

Peredur Owen Griffiths MS
Chair, Finance Committee

20 April 2023

Dear Peredur

Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

Thank you for inviting us to share views on the Welsh Government's Draft Budget documentation and ministerial written evidence.

In terms of our approach to scrutiny of the Draft Budget for 2023-24, we wrote to the Minister for Social Justice on our priority areas and received a response on 16 December 2022. We held an evidence session with the Minister for Social Justice and the Deputy Minister for Social Partnership on 16 January 2023.

On a practical level, we were grateful to the Welsh Government for providing its written evidence in a timely fashion, in advance of on 16 January 2023. However our report, published on 6 February 2023, sets out our main concerns with the documentation provided by the Welsh Government to assist our scrutiny. These predominantly relate to the amount of detail available to justify budget decisions and their impact on different sectors of society. They are summarised below:

Transparency

As you will be aware, our Committee remit covers areas which include the Anti-racist Wales Action Plan and the LGBTQ+ Action Plan, both of which are cross-government schemes. We were disappointed not to receive a clear indication of budget allocations across departments in advance of our scrutiny session. The cross-departmental nature of plans such as these can blur transparency and accountability. To enable more effective scrutiny, a more detailed breakdown of figures should be provided.

Strategic Integrated Impact Assessments

It is our view that the impact of budget decisions in terms of equality and the well-being of future generations should be clearly set out. The Strategic Integrated Impact Assessment (SIIA) as included with Draft Budget for 2023-24 did not offer the detail we believe necessary in order to justify the Welsh Government's spending decisions. Our report reiterated a recommendation from our report on the Draft Budget for 2022-23, namely that the Welsh Government should review the Strategic Integrated Impact Assessment with a view to publishing a more detailed account of how Draft Budget decisions impact on different groups in advance of the Final Budget. This was rejected by the Welsh Government in its response to our report on 1 March 2023.

Distributional analysis of budgets

Our report noted the Welsh Government's explanation that an updated distributional analysis had not been published as part of the 2023-23 process due to allocations remaining fairly similar. However, we believe that the economic crisis around the cost of living justifies keeping this analysis as up-to-date as possible, as it will be crucial in informing the Budget Improvement Plan. Our recommendation for an updated distributional analysis to be published alongside the Final Budget was rejected by the Welsh Government.

We hope our reflections are useful to your Committee as it conducts its work on this important area.

Yours sincerely,

A handwritten signature in black ink that reads "Jenny Rathbone". The signature is written in a cursive style with a large initial 'J' and 'R'.

Jenny Rathbone MS

Chair, Equality and Social Justice Committee

