

Rosemary Butler AM  
Presiding Officer

5 May 2015

Dear Rosemary

### Budget Procedures

As you will be aware the Finance Committee have published two reports on the new budget procedures that will need to be implemented following the devolution of fiscal powers. We published our [part 1 report](#) in July 2014 and followed this up with a [part 2 report](#) in March 2015.

Whilst primarily these reports make recommendations to the Government, there is clearly a responsibility on the Assembly to ensure the new procedures are fit for purpose whilst ensuring the procedures include provision for effective scrutiny by the Assembly.

Specifically in the part 1 report Conclusion 14 said:

*The Committee will look further at the capacity issues of the Assembly and the Welsh Government during the second part of the inquiry. However, the Committee recommends that both the Assembly Commission and the Welsh Government commence work to look at the capacity available to undertake work in relation to the devolution of further fiscal powers to Wales.*

Whilst in the part 2 report Recommendation 1 said:

*The Committee recommends that the Welsh Government and the Assembly should work together to develop a new budget process, which allows for:*

UK budget announcements,



a two part process,

the need to provide an early indication to other public bodies of their budgets for the following financial year,

adequate time for Assembly scrutiny, and

“future proofing” for any further fiscal devolution.

Throughout this process the Committee have worked closely with Jane Hutt AM, Minister for Finance and Government Business to ensure that the work of the Committee is informed by the Government and conclusions and recommendations have been shaped to ensure the needs of both the Assembly and the Government have been considered. The recent debate on the part 2 report was testament to our joint working, and as a Committee we hope this effective relationship with the Minister continues.

I would be grateful if you could provide the Committee with an update on the work the Assembly is undertaking:

1. to ensure there is capacity in the Assembly to undertake this important work on fiscal devolution in the coming years
2. with the Government to take forward the work required to implement new budget procedures.

I am copying this letter to Jane Hutt AM in view of the Governments role in this work. In addition as the Constitutional and Legislation Affairs Committee has shown an interest in this area as part of their current inquiry I am also copying it to David Melding AM.

Yours sincerely



Jocelyn Davies

Chair

