

## Agenda – Finance Committee

---

Meeting Venue:	For further information contact:
Video Conference via Zoom	Owain Roberts
Meeting date: 15 September 2021	Committee Clerk
Meeting time: 09.30	0300 200 6388
	<a href="mailto:SeneddFinance@senedd.wales">SeneddFinance@senedd.wales</a>

---

**On 2 July 2021, the Committee resolved to exclude the public from today's meeting in accordance with SO 17.42.**

- 1 Introductions, apologies, substitutions and declarations of interest**  
(09.30)
  - 2 Audit Wales – Introductory briefing**  
(09.30–10.30) (Pages 1 – 17)  
Adrian Crompton, Auditor General for Wales  
Lindsay Foyster, Chair of the Wales Audit Office  
Kevin Thomas, Executive Director of Corporate Services  
Ann-Marie Harkin, Executive Director of Audit Services  
Anne-Louise Clark, Executive Director of Communication and Change  
  
Supporting papers:  
FIN(6)–04–21 P1 – Audit Wales: Presentation slides
- Break (10.30–10.40)**
- 3 Oversight of the Public Services Ombudsman for Wales (PSOW) – Consideration of remuneration arrangements**  
(10.40–11.00) (Pages 18 – 71)  
Supporting papers:

FIN(6)-04-21 P2 – Remuneration arrangements of the PSOW

#### **4 Landfill Disposals Tax: Independent Review**

(11.00–11.10)

(Pages 72 – 73)

Supporting papers:

FIN(6)-04-21 P3 – Letter from the Minister for Finance and Local

Government: Landfill Disposals Tax Independent Review – 12 July 2021

#### **5 Budget Review Group**

(11.10–11.20)

(Pages 74 – 77)

Supporting papers:

FIN(6)-04-21 P4 – Budget Review Group: Background paper

#### **6 Welsh Government Draft Budget scrutiny 2022–23: Consideration of approach**

(11.20–11.30)

(Pages 78 – 88)

Supporting papers:

FIN(6)-04-21 P5 Approach to budget scrutiny

FIN(6)-04-21 P6 Consultation letter

#### **7 Welsh Treasury – Introductory briefing**

(11.30–12.00)

Andrew Jeffreys, Director Treasury, Welsh Government

#### **8 Consideration of the Committee's Forward Work Programme**

(12.00–12.10)

(Pages 89 – 102)

Supporting papers:

FIN(6)-04-21 P7 Forward Work Programme

FIN(6)-04-21 P8 Letter from the Chair of the Welsh Affairs Committee: Future committee collaboration – 26 July 2021

FIN(6)-04-21 P9 Letter from the Chair of the Committee for Finance, Northern Ireland Assembly: Collaborative working and the devolved budget process – 3 Sept 2021

Document is Restricted

# Agenda Item 3

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted



Llywodraeth Cymru  
Welsh Government

# Agenda Item 4

Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

Eich cyf/Your ref  
Ein cyf/Our ref

Peredur Owen Griffiths, MS  
Chair  
Finance Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1SN

12 July 2021

Dear Peredur

## Landfill Disposals Tax Independent Review

There is no statutory obligation for the Welsh Ministers to make arrangements for an independent review of Landfill Disposals Tax (LDT). However a commitment was made during the passage of the Landfill Disposals Tax (Wales) Act 2017, through the then National Assembly for Wales [Senedd], for an independent review to be carried out. I am setting out here the proposed scope of the independent review for the Committee to be aware and to have an early opportunity to comment.

The review will have the following key principles at its core:

1. The scope of the review is clear, meaningful and offers good value for money.
2. The review does not duplicate work being undertaken by interested/affected parties unnecessarily, and does not fetter future policy work which may be being developed in tandem or before the review is completed.
3. The review is focussed on the operation of the legislation as opposed to the administration of the tax by the Welsh Revenue Authority.

It is proposed that the review focus on three broad themes related to revenue, behaviour change and environmental impact. The intention being the review provides an evaluation of the effectiveness of the tax in supporting the delivery of our environmental policies to date. It will also consider lessons learned and how these could impact on future policy design.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto:Gohebiaeth.Rebecca.Evans@llyw.cymru)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

It is proposed the review focuses on key areas of relevance for the tax. For example, to explore issues (not an exhaustive list) such as waste flow across the Wales/England border, waste composition across the standard and lower rates, wider environmental policies in respect of highlighting any mismatches and opportunities to improve alignment between tax and environmental law, legislation on reliefs and discounts in recognition of their potential to impact on behaviour, as well as an assessment of what impact, if any, the introduction of an unauthorised disposals rate of LDT has had on deterring unauthorised disposals of waste in Wales.

Separately, the UK Government has announced a Landfill Tax review<sup>1</sup> in England and Northern Ireland, as part of a range of tax policy and consultation announcements. We are currently working with UK Government in recognition of our shared environmental and waste management objectives, and mitigate undesirable outcomes such as waste tourism.

I would be grateful for any views on the proposed scope of the independent review of LDT by the 30 September so that we can feed these into the development of the specification to procure an independent person/organisation to undertake the review.

I have similarly written to the Chair of the Climate Change, Environment and Infrastructure Committee to seek that Committee's views on the proposed scope of the independent review.

Yours sincerely,



**Rebecca Evans AS/MS**

Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

---

<sup>1</sup> [Tax policies and consultations: Spring 2021 - GOV.UK](https://www.gov.uk/government/consultations/tax-policies-and-consultations-spring-2021) **Page 73**

# Agenda Item 5

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

# Agenda Item 6

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

Document is Restricted

## Welsh Affairs Committee

House of Commons London SW1A 0AA

Tel 020 7219 6189 Fax 020 7219 0316 Email [welshcom@parliament.uk](mailto:welshcom@parliament.uk)

Website [www.parliament.uk](http://www.parliament.uk)



From: The Chair of the Committee

Peredur Owen Griffiths MS  
Chair  
Finance Committee  
Senedd Cymru/Welsh Parliament  
[via Email]

26 July 2021

Dear Peredur Owen Griffiths MS

Thank you for your letter of 12 July. Congratulations on your election as Chair of the Finance Committee in the Welsh Parliament.

I was interested to read your observations about the level of UK Government engagement with the predecessor committee. It would be good to discuss these with you further and consider where the opportunities may lie for collaboration between our committees. I will ask the Clerk to arrange a convenient time for us to meet after the summer recess.

Best wishes,

A handwritten signature in black ink, appearing to read "Stephen", followed by a small dash.

Rt Hon Stephen Crabb MP



**Northern Ireland  
Assembly**

**Committee for Finance**

Peredur Owen Griffiths MS  
Chairperson  
Finance Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1 SN  
Sent by email to: [SeneddFinance@senedd.wales](mailto:SeneddFinance@senedd.wales)

Our Reference: 2021: 369

3 September 2021

Dear Peredur,

At its meeting on Wednesday, 1 September 2021, the Committee for Finance noted your correspondence of 8 July 2021 and agreed to pass on its congratulations to you as the newly elected Chairperson of the Welsh Parliament's Finance Committee.

This Committee agreed that I should write to you to indicate that it is pleased to co-operate with your Committee particularly in respect of the budget development process. Further to this, the Committee agreed to share related correspondence (enclosed) received from Her Majesty's Treasury.

By way of future co-operation, the Committee agreed to suggest a joint informal session on budget scrutiny with your Committee and the Scottish Finance and Constitution Committee. This might be scheduled after the publication of the outcome of the Spending Review, which it is hoped will be informed by analysis by the Northern Ireland Fiscal Council.

Please do not hesitate to have officials contact the Clerk to the Committee for Finance for further details.

I look forward to your response and to further engagement with your Committee.

Yours sincerely,

*Steve Aiken*

---

**Dr Steve Aiken OBE MLA**  
Chairperson to the Committee for Finance  
Enc: 1



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Dr Steve Aiken, OBE MLA  
Chairperson to the Committee for  
Finance  
Northern Ireland Assembly  
By email

Your ref: 2021.274  
13 July 2021

Dear Dr Aitken,

Thank you for your letter of 28 May about the devolved budget process, following the Committee for Finance meeting. I would like to offer my sincere apologies for the delayed response.

I am sorry to hear that members of the Committee were disappointed with my previous letter. I would like to reassure the committee that this has nothing to do with the Treasury's interest in devolved matters; it simply reflects the distinct roles of officials compared to ministers. The decision on the timing of fiscal events is a matter for the Chancellor, who will make a decision based on a wide range of factors, including taking into account the devolved administrations. It would therefore not be appropriate for HM Treasury officials to appear before a committee of the Northern Ireland Assembly to explain this decision.

It may help the committee to consider the information here:  
[www.gov.uk/government/publications/the-new-budget-timetable-and-the-tax-policy-making-process/the-new-budget-timetable-and-the-tax-policy-making-process](http://www.gov.uk/government/publications/the-new-budget-timetable-and-the-tax-policy-making-process/the-new-budget-timetable-and-the-tax-policy-making-process).

The link above sets out the Government's position on Budget timing. That policy making process remains the ambition of the Government. 2019 and 2020 have been extraordinary years due to the calling of a general election and the uncertainty generated by the global pandemic. It was right in both of these cases that we deviated from an Autumn Budget timetable to find a more suitable time in the calendar for the Budget.

As mentioned above, in making the decision on when to hold the Budget a wide range of factors will have been considered, including any impacts on the devolved administrations. The Treasury has frequent engagement with the devolved administrations at Ministerial level (including through the Finance Ministers' Quadrilateral) and at official level to ensure we have a full understanding of these impacts.

However, as the past two years have shown, there may always be other prevailing reasons as to why an Autumn date is not sensible or practical. How the Northern Ireland Executive construct their processes to account for this possible uncertainty is a matter for them, though I do understand the additional difficulty it creates.

That said, the Executive's block grant funding is largely set at spending rounds or spending reviews rather than at Budgets. Even in 2019 and 2020 we delivered these events in the Autumn so that departments, devolved administrations and local authorities all had sufficient time to set their spending plans for the following financial year.

I welcome the formation of the new independent Fiscal Council and its role in providing oversight and scrutiny to financial matters in Northern Ireland.

I hope this letter has been useful in setting out our position on this matter. Thank you for taking the trouble to make me aware of these concerns.

Yours sincerely,

A handwritten signature in black ink, reading "Steve Barclay". The signature is written in a cursive style with a horizontal line crossing through the middle of the letters.

RT HON STEVE BARCLAY MP



Northern Ireland  
Assembly

## Committee for Finance

The Rt Hon Steve Barclay MP  
Chief Secretary to the Treasury  
1 Horse Guards Road  
London  
SW1A 2Q  
Email: [Action.CST@hmtreasury.gov.uk](mailto:Action.CST@hmtreasury.gov.uk)

Our Reference: 2021.274

28 May 2021

Dear Steve,

### Devolved Budget Process

Please accept the Committee's thanks for your correspondence (dated:18 May 2021) in response to the Committee's request for HM Treasury officials to give evidence on the impact on the devolved legislatures of delays in the UK Government's Budget process. This was considered at the Committee for Finance meeting on 26 May 2021.

As you may be aware, the Committee has found the budget process undertaken by the Northern Ireland Executive to be generally unsatisfactory with inconsistent timelines, opaque documentation and limited opportunity for meaningful engagement by the Assembly at appropriate decision points. The Committee hopes that the establishment of an independent Fiscal Council will help to address some of the above and thus improve transparency and democratic accountability.

The Department of Finance has consistently indicated that a key block to providing improved budget engagement with the Assembly is the ever-changing approach adopted by Treasury to these matters, in particular in respect of the timing of key budget processes. It is for this reason and to ensure the effectiveness of the anticipated new arrangements with the independent Fiscal Council that the Committee had sought a briefing with HM Treasury officials.

Members noted with dismay and disappointment that you have declined to permit officials to provide an oral briefing, as requested. Members struggled to

understand the explanation that you provided and even wondered if your response might be ascribed to a lack of interest in devolved matters and/or discourtesy.

The Committee therefore agreed that I should write again to you in order to seek clarification and to extend an invitation to your officials to provide an oral explanation in respect of the HM Treasury budget process and its impact on the devolved administration in Northern Ireland and the Northern Ireland Assembly. It is hoped that such a briefing will enhance understanding of the operation of key governance processes of the United Kingdom.

A response at your earliest convenience would be greatly appreciated.

If you require further explanation or clarification, please do not hesitate to have officials contact the Clerk to the Committee for Finance.

Yours sincerely,

*Steve Aiken*

---

**Dr Steve Aiken OBE MLA**  
Chairperson  
Committee for Finance

cc: Sue Gray, Second Permanent Secretary, Cabinet Office