

## Agenda – Finance Committee

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Meeting Venue:	For further information contact:
Video Conference via Zoom	Owain Roberts
Meeting date: 21 January 2022	Committee Clerk
Meeting time: 09.30	0300 200 6388
	<a href="mailto:SeneddFinance@senedd.wales">SeneddFinance@senedd.wales</a>

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In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on [www.senedd.tv](http://www.senedd.tv)

### Private pre-meeting – Informal (09.15–09.30)

- 1 Introductions, apologies, substitutions and declarations of interest  
(09.30)
- 2 Paper(s) to note  
(09.30)
  - 2.1 PTN 1 – Scrutiny of the Welsh Government Draft Budget 2022–23: Written evidence from Wales Environment Link – January 2022  
(Pages 1 – 6)
  - 2.2 PTN 2 – Letter from the Minister for Finance and Local Government to the Llywydd: The Non-Domestic Rating (Multiplier) (Wales) Regulations 2022 – 18 January 2022  
(Page 7)
  - 2.3 PTN 3 – Scrutiny of the Welsh Government Draft Budget 2022–23: Additional information – Wales Tourism Alliance – January 2022  
(Pages 8 – 10)



### **3 Scrutiny of the Welsh Government Draft Budget 2022–23:**

#### **Evidence session 8**

(09.30–11.15)

(Pages 11 – 41)

Rebecca Evans MS, Minister for Finance and Local Government

Andrew Jeffreys, Director, Treasury

Emma Watkins, Deputy Director, Budget & Government Business

#### **Supporting documents:**

[Welsh Government Draft Budget 2022 – 2023](#)

Research Service Brief

### **4 Scrutiny of The Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) Regulations 2021**

(11.15–11.30)

(Pages 42 – 44)

Rebecca Evans MS, Minister for Finance and Local Government

Andrew Jeffreys, Director, Treasury

Emma Watkins, Deputy Director, Budget & Government Business

#### **Supporting documents:**

[Regulations](#) (PDF, 48KB)

[Explanatory Memorandum](#) (PDF, 310KB)

FIN(6)–03–22 P1 – Draft report

FIN(6)–03–22 P2 – Letter from the Minister for Finance and Local Government to the Llywydd – 20 December 2021

### **5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the meeting on 28 January 2022.**

(11.30)

### **6 Scrutiny of the Welsh Government Draft Budget 2022–23: Consideration of evidence / Key issues**

(11.30–12.00)

## **7 Supplementary Budget 2021–22 requests from Directly Funded Bodies**

(12.00–12.15)

(Pages 45 – 77)

### **Supporting documents:**

FIN(6)–03–22 P3 – Cover paper

FIN(6)–03–22 P4 – Senedd Commission’s Budget 2021–22

FIN(6)–03–22 P5 – Public Services Ombudsman for Wales’ Supplementary Estimate 2021–22

FIN(6)–03–22 P6 – Audit Wales’ Supplementary Estimate 2021–22

## **8 Consideration of Forward Work Programme**

(12.15–12.30)

(Pages 78 – 85)

### **Supporting documents**

FIN(6)–03–22 P7 – Forward Work Programme

## **9 Business Committee review of committee timetable and remits**

(12.30–12.40)

(Pages 86 – 94)

### **Supporting documents**

FIN(6)–03–22 P8 – Letter from the Business Committee to Committee Chairs  
– Review of the committee timetable and committee remits – 7 January 2022

## Consultation response: Draft Budget 2022-202 January 2022

### Introduction

We appreciate that it's out of Welsh Government's control as to when the budget can be laid, due to the UK Government's timetables, but we should highlight that this response is only a surface analysis, as we haven't had enough time to dig into the detail. If this looks to continue to the case in the forthcoming years, there are concerns that stakeholders will only be able to perform scrutiny on the 'surface' of the budget as it is a complex piece of work, and what matters most are the intention behind the spending and whether actual outcomes address the climate and nature crisis.

### Tackling the climate and nature crisis

Whilst we consider the climate and nature crisis as one – both sides of which should be given equal political priority and importance – tackling them does often require different mechanisms. Some actions can help both reduce carbon and restore nature, but to declare that there is £1.8bn set for "*Wales' response to the climate and nature emergency*", when in reality, much of that appears to be to help reduce carbon and will not have any knock on effects to benefit nature. This isn't to criticise carbon-reducing areas of spend; this is very welcome and necessary, but it would be disingenuous and misleading to describe this much being put towards nature.

The Welsh Government's press release sets out that £160m of this is revenue, with the rest all amounting to capital investment. Again, whilst this is needed – and we welcome active travel, flooding prevention (nature-based, we hope, is being prioritised although this is impossible to tell through broad BELs), and decarbonising housing – none of this will help restore nature. It is urgent we reduce our emissions but equally urgent we restore nature before it's too late to save. The helpful [budget breakdown diagram](#) from Senedd Research also highlights that spending to 'Deliver nature conservation and forestry policies and local environment improvement' amounts to less than is spent on roads, housing or flooding.

It's also unclear whether this is a way of repurposing spend that would have taken place regardless of the Senedd and Welsh Government's recognition and declaration of climate & nature emergencies; e.g. money has been spent on active travel infrastructure for some time, can this really be described accurately as money that wouldn't have been allocated without these declarations? It appears to be more of a re-labelling of existing spend, which doesn't help us to break down what has changed or been re-prioritised over the years. In addition, spending money that helps us to avoid further carbon emissions is just avoiding emissions that are not now, nor never were, sustainable. This is more about reversing and slowing down our carbon output, rather than radical systemic change across the board. We also need to ensure that spending across all MEGs translates to a sustainable and circular economy, without causing damage to nature inadvertently.

The Wales Infrastructure Investment Strategy does recognise that not all supposed 'green spend' can necessarily benefit nature, affirming: *"It is important to recognise that "green" investment is not one homogenous theme and that, in many cases, investment that is beneficial in one aspect can have negative impacts on others. For example, the planting of large mono-cultural forests is likely to be beneficial in terms of carbon sequestration but, if replacing a previously natural environment, could be damaging to biodiversity. Therefore, investment decisions need to be considered in light of the trade-offs"*.

We would urge for this to be embedded in all public decision making, to be 'mindful of the trade-offs'. For example, with £4m being put to marine energy (followed by £10m planned for the following two years), this could greatly help to reduce our carbon from non-renewable energy, but if deployed in sensitive marine habitats, could harm nature and certainly put marine wildlife at risk or under pressure, therefore attempting to help climate whilst damaging nature. We need to be extremely alive to this, so that we don't exacerbate one problem by trying to fix another.

The best examples we can find in the budget of direct spending on restoring nature are: the Nature Networks programme (which is especially welcome as it's something our members have been asking for, for some time), the Local Places for Nature

programme, investment in restoring peatland (although not enough for the scale of the task, but a good start) and Natur Am Byth, an extremely positive project of species-specific actions. The National Forest and new National Park plans are also exciting opportunities to make the most of the public and publicly managed estate, for the good of nature and people. It remains unclear how these broad BELs end up being divided between different programmes, and we'd welcome a breakdown of key programmes and which BELs they'd fall under. For example, the Access Improvement Grant for local authorities is likely under the 'Landscape and Outdoor Recreation BEL', but without a breakdown, we cannot tell if it's increased, decreased or remained at its previous level.

The complexity of the exact spend would need to be set out for us to make a call on how beneficial this investment will be for nature directly. For example, the Budget Narrative cites *"an additional £12m of revenue and a total capital investment of £57m in the National Forest and Welsh Timber Strategy up to 2024-25"* which will also *"support the creation of 30 new woodlands"*. A forest by itself may not be the most beneficial, but if done right, will do well for nature. However, this is tied up in the narrative with the Welsh Timber Strategy, which may not be so good for nature and may just be a way for Wales to exploit timber as a natural resource. So how things are done is extremely important, not just that there's money there for something in that area.

### **Multi-year spending**

We do very much welcome the multi-year budget, and we hope this will help us to track developments consistently and would implore for the Welsh Government not to change MEGs or BELs dramatically in between budgets, so that it's easier for stakeholders – and indeed, the general public, who should be able to access such information if they wish – to analyse and track.

This should help departments and all public bodies funded by Welsh Government to plan ahead better too. We also noted: *"In addition to the unhypothecated settlement we expect to provide over £1bn in revenue grants 2022-23, including some specific funding, to support local authorities to continue to change services to respond to the nature and climate emergency."* We are keen to know if there are any parameters on how this funding is used, as it's difficult to ensure that national-level policy truly

embeds at the local authority level as it's their decisions that will have the biggest impact on nature locally for communities. We would also welcome a steer from Ministers to ensure councils are evaluating long-standing projects through a 'climate & nature emergency lens', as many have been going through the planning process for a long time and wouldn't have considered the environment as such a priority during those earlier stages. We need to re-assess all council planning decisions within these parameters (much like all roads were re-evaluated, which was very appreciated in the eNGO sector), and not rely on historic decisions made lacking this perspective. The Welsh Government did this itself with its decision on the M4 relief road, which we hugely welcomed, but situations like building on Cardiff's valuable and nature-rich Northern Meadows are still going ahead, despite Cardiff Council declaring their own nature emergency.

### **Specific funding lines**

We've outlined some headline responses to the below funding lines:

- £5.3m revenue for forestry, alongside £9m of capital. It isn't clear how this will be allocated for woodland creation, although we hope a large amount will be benefitting nature and not just the timber industry. Ultimately, land use and its outcomes is complex, but fundamentally we want to see commitments in protecting habitats, and funding ring-fenced for restoring nature.
- Landscape & Outdoor Recreation (under the action of 'Promote and support protected landscapes, wider access to green space'), set at revenue of £12.4m for 2022/23 which is a slight increase from last year's £11.4m. This is set to stay the same for the next three years, along with £5m for capital. We'd be interested to know if this is the budget line under which the new National Park will be developed from in north-east Wales.
- The BEL for 'Marine Policy, Evidence and Funding' is set to stay the same as last year, and for the next 3 years, at £1.9m. Given the need to increase monitoring of the marine environment, and with MCZs expected to be designated at some point this term, it's worrying that the Welsh

Government doesn't anticipate marine evidence needing to increase in resource and this doesn't bode well for seeing improvements in our seas.

- The Rural Affairs MEG is set to increase, from £355m this year, to an indicative £418m for 2023/24, and £440m for 2024/25. Farming needs to be supported throughout the transition away from basic payments (by 2025) to the new Sustainable Farming Scheme. But we do query how and what the Welsh Government plans to do in the interim few years to help farmers prepare for this change. We would endorse piloting parts of the SFS as early as possible and introducing elements of it throughout the next few years so it doesn't come in just one fell swoop. And under which BEL would the future stability payments – committed to in the Labour/Plaid Coop Agreement – come out of?
- In terms of the circular economy, £5m is allocated for 'sustaining and improving recycling rates', with £0.5m to abolish commonly littered single use plastic items and a £160m capital investment in circular economy up to 2024-25, including 80 reuse and repair hubs in town centres. This is all very welcome, but actually in this arena, the key thing we need isn't so much investment as legislation. We are still awaiting the banning of single-use items, and now the Environment Act has passed in Westminster, Wales has the powers to finally move forward on this agenda. We would urge the Welsh Government to prioritise action on this and to move to reuse as the priority, not just recycling. We need a Deposit Return Scheme and single-use problematic items banned where possible, levied when not. We will not move to a circular economy by just focusing on recycling. That is still not using resources as well as we need to be.

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales. WEL is a respected intermediary body connecting the government and the environmental NGO sector. Our vision is a thriving Welsh environment for future generations.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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Ein cyf/Our ref: MA-RE-4209-21

Elin Jones, MS  
Llywydd  
Senedd Cymru  
Cardiff Bay  
CF99 1SN

18 January 2022

## THE NON-DOMESTIC RATING (MULTIPLIER) (WALES) REGULATIONS 2022

I have today made the Non-Domestic Rating (Multiplier) (Wales) Regulations 2022, under paragraph 5(13A) of Schedule 7 to the Local Government Finance Act 1988. The legislation will come into force on the day after the day on which it is approved by a resolution of Senedd Cymru and will take effect from 1 April 2022. I attach a copy of the statutory instrument which I intend to lay once the statutory instrument has been registered.

In accordance with paragraph 5(13C) of Schedule 7 to the Local Government Finance Act 1988, this instrument must be approved by the Senedd Cymru before the Senedd approves the *Local Government Finance Reports* for the financial year beginning 1 April 2022, or before 1 March, whichever is earlier, in order for it to be effective. In these circumstances, I understand Standing Order 21.4A is relevant and the Business Committee may establish and publish a timetable for the responsible committee or committees to report. It may be helpful to know that I intend to hold the Plenary debate for this item of subordinate legislation on 15 February.

I am copying this letter to Lesley Griffiths MS, the Minister for Rural Affairs and North Wales, and Trefnydd, Huw Irranca-Davies MS, Chair of the Legislation, Justice and Constitution Committee, Peredur Owen Griffiths MS, Chair of the Finance Committee, Siwan Davies, Director of Senedd Business, Sian Wilkins, Head of Chamber and Committee Services, and Julian Luke, Head of Policy and Legislation Committee Service.

Yours sincerely,

**Rebecca Evans AS/MS**  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

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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.

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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.

## Scrutiny of the Welsh Government Draft Budget 2022-23 - Additional information from Wales Tourism Alliance

1. Countries where TT is levied, are with one exception (Denmark - a high tax base economy), countries which lower their VAT rates considerably on tourism and hospitality specifically as compared to other economic activity. This makes the argument for a dedicated local tax which is circulated back into the local economy easier to make. In the UK, that VAT cut is not available and WG benefits from tourism's contribution to that general taxation take via the block grant. A tourism tax would be a form of double taxation when compared to the system in other countries.

2. In calculating each local authority's RSG, the distribution sub-groups take into account what councils 'should' be spending as part of their IBA calculations for things like road maintenance, refuse collection/disposal and street cleaning. Part of their calculation includes an enhanced population multiplier acknowledging that local authorities are likely to have higher demand on this type of service because of visitors, so tourist impact on relevant services is already considered in the RSG. There is no way, at the moment, of assessing the actual spend by local authorities attributable to the additional temporary population.

3. Our members have no issue with fair taxation. However, of the 140 countries for which tourism/visitor economy is a meaningful contributor to the overall finances of those countries, the UK carries the highest tax burden; VAT, APD, online travel agency levy, corporation tax, capital gains tax/IHT, business rates/council tax (though we don't accept you're a tourism business if you pay council tax rather than business rates), plus personal taxation (eg income tax) or non-incorporated businesses of which there are many in the owner/manager SME accommodation sector. As businesses they also pay directly, at a premium rate, for council services so even if they fall into a NDR relief category, they are still paying separately for eg waste collection, so they are contributing to the local authority's income.

4. The drive for a tourism tax comes from two sources: shortage of homes in certain parts of Wales and "overtourism" where impact ostensibly outstrips ability to mitigate.

On the first, we are keen to help WG distinguish between businesses and homes. The first benefit the local economy through job creation and stimulation of activities (hospitality, attractions, property maintenance to keep places looking good) which contribute to the wellbeing of residents as well as visitors, plus give families reasons to stay in their communities rather than abandon them due to lack of work. The other doesn't do that, but the current structures for second home owners participating in casual, ancillary letting without quality assurance, commercial-rate services etc, is blurring the line between business activity and the underuse or unregulated use of potential housing stock which can cause problems in certain communities. The formal self-catering sector wants to help address that and, though ourselves, is active on WG discussions re registration of businesses, for example. The worry is that TT would be raised to solve a housing issue rather than a visitor impact issue.

On the second, honey pots have seen demand outstrip 'supply' during the pandemic staycation bonanza. Disquiet has been exacerbated by the expectations

of visitors who would otherwise have chosen catered holidays abroad behaving in a less than exemplary way and causing tensions with local residents and businesses - as well as other visitors who behave appropriately. This impact has been much more pronounced in 2021 and will not be as acute when people have the opportunity to pursue different holidaying options. Nevertheless, even though hot spots are busy even in normal times - which can be dealt with effective destination management; the demand has grown in these places at a pace in line with WG's previous tourism strategy - the greater issue is under tourism everywhere else. You will see that the hot spots have featured heavily in VW promotion over the years, as well as more localised destination marketing (not the same as destination management) whereas the load could be better spread, reducing the strain on the hot spots.

The fragmentation of destination management, part of which is referred to above, means that, were ringfenced monies raised via a TT, there is no confidence in the industry that it would be spent effectively and address the effects of overtourism/undertourism.

5. Current discussions revolve around any monies raised by and spent by local authorities. That is more likely to lead to fire fighting in hot spots rather than being used strategically at regional level to reduce acute impact whilst preserving/growing economic benefit. At its simplest, and just by way of illustration, a bed tax (which is the current proposal) may reduce overnight stays in Gwynedd which adopts it but increase them in Conwy which doesn't. The effect is more day trips to Gwynedd from Conwy, with less value per head and more pressure on roads, electric charging points, street parking and leisure eating (instead of a relaxing time in a local cafe/pub/restaurant, you'll grab a McD/Greggs because you don't want to spend more on car parking and can just throw the packaging away). It's also current WG policy to increase the number of overnight stays of day visitors as they are higher value.

6. The proposal also centres on monies being available to councils rather than destination management leads. Again, this is for another day, but the current WG-led structures don't work for effective destination management; local expertise, resources, relationships, VW's own capacity (not a criticism of officers, to be clear). It is a huge ask for individual councils to lead on destination management when they have competing priorities. Which leads to the essential point that there is no guarantee re (a) unhypothecated TT monies not disappearing into the RSG and, therefore, available for any use, or (b) if hypothecated, that this will be for additional work not replacing current spend.

7. What kind of tax? If it's a bed tax, hotels, B&Bs, caravan parks, tree houses, yurts, barn conversions (commercial planning only), annexes to homes and abandoned properties in the middle of nowhere rescued and remodelled as self-catering properties don't take anything out of available housing stock, rented or sale. Arguably, the very largest and smallest within communities don't either, although larger premises can sometimes be split into more attractive rental units. A bed tax is not the answer to housing shortage. If the issue is impact mitigation and the polluter-pays approach, it's not the overnight stays who fill up the car parks and the roads etc

8. Finally, the argument that a few pounds doesn't make a difference to a holiday choice. In many cases it won't, of course. In others, buyers will be sufficiently irritated to displace their choice to somewhere nearby which doesn't charge. In others, they will be sufficiently annoyed to go outside Wales to somewhere else within the UK with a comparable offer (most visitors to Wales are from the UK with about 20% coming from Wales itself. This may well have changed during the pandemic). There are reasons why other parts of the UK have been to the brink on TT before, but always stepped back.

Two things to think about the *message* the existence of a TT gives. The first is, for both host and customer - what do I get for this tax? Hosts aren't going to thank anyone for having to deal with a customer who feels taken advantage of and whose start of their holiday is tarnished by this, regardless of the actual cost. The second is low-income visitors, especially those from within Wales itself. WG's strategy is to attract higher value overnight visitors but it is far from progressive to deter low-income families from seeking the wellbeing attached to a break from their usual surroundings if they can, and it is those families who will be concerned about a few pounds. With so many self-catering businesses owned and run by Welsh families, supported by local staff - as I know from personal experience - I wouldn't want to hear a customer say they won't go to the cafe or buy something from the local shop because they've had to give me the money they would otherwise have spent there. They just fill up at a national supermarket chain before they leave home.

Two anecdotes to finish:

A few years ago, I booked a very cheap 2-room unit in Rome for three adults for two nights. The bill was 30% higher than advertised because of the TT. Rome, of course, a premium location, but a lesson in how customers at the lower end of the market can pay disproportionately.

When customers using the Airbnb system spot the service charge that they - in addition to the provider - has to pay, they don't always proceed with the booking as they feel misled on the price advertised.

To summarise: WG needs to consider carefully how it will frame the impact assessment of any proposal for a localised tourism tax. Who pays, why they in particular pay, clarity of purpose, delivery of purpose, monitoring and review of outcomes will all be relevant as well as who and what are lost.

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# Agenda Item 4

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

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Rebecca Evans AS/MS  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA/RE/4167/21

Elin Jones MS  
Llywydd  
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20 December 2021

### **The Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) Regulations 2021**

I have today made The Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) Regulations 2021 under sections 14(3) and (6), 46(4), 93 and 94(1) of the Landfill Disposals Tax (Wales) Act 2017 which comes into force on 1 April 2022. I attach a copy of the statutory instrument and the accompanying Explanatory Memorandum, which I intend to lay once the statutory instrument has been registered.

In accordance with the procedure set out in section 95 of the Landfill Disposals Tax (Wales) Act 2017, this instrument must be approved by the Senedd by 6 February 2022 in order for it to remain in effect. In these circumstances I understand Standing Order 21.4A is relevant and the Business Committee may establish and publish a timetable for the responsible committee or committees to report. It may be helpful to know that I intend to hold the Plenary debate for this item of subordinate legislation on 1 February 2022.

I am copying this letter to the Minister for Rural Affairs and North Wales, and Trefnydd, Huw Irranca-Davies (MS), Chair of the Legislation, Justice and Constitution Committee, Peredur Owen Griffiths MS, Chair of the Finance Committee, Sian Wilkins, Head of Chamber and Committee Services and Julian Luke, Head of Policy and Legislation Committee Service.

Yours sincerely,

**Rebecca Evans MS**  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

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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.

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Peredur Owen Griffiths AS  
Chair of Finance Committee  
Welsh Parliament  
Tŷ Hywel  
Cardiff Bay  
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10 January 2022

Dear Peredur

I am writing to bring to the Committee's attention the Commission's proposed change to its approved 2021-22 budget through the Supplementary budget process. The Commission is proposing to decrease its resource budget by £1.2 million.

The Commission is proposing to

- decrease the Remuneration Board's Determination budget by £1.2 million
- decrease the election related budget by £0.5 million.

In the 2021-22 Commission Budget document, there was a commitment to return surplus funds within the post-election costs budget to the Welsh Consolidated fund. This is also the approach taken in previous years with surplus funds remaining within the Remuneration Board's Determination budget.

There continues to be pressure on the Commission's operational budget, particularly to fund staffing costs, however, no additional funds have been requested within this Supplementary Budget to address the increasing demand on Commission services. Currently the additional challenges brought about by e.g. the increased security threat and the pandemic, including the increase in hybrid working, are being managed within the constraints of the 2021-22 operational budget. This approach, however may not be sustainable in the longer term.



The 2022-23 budget document, scrutinised recently by your Committee, noted that the impact of the increase in National Insurance contributions was not reflected in the laid budget figures and that a supplementary budget may be required in 2022-23 to fund this additional cost. The Commission will always, in the first instance, look to fund additional expenditure from existing resources, however, with increasing staffing pressures and no contingency built into the 2022-23 budget, this may be not be possible during the next financial year.

### **Remuneration Board's Determination for Senedd Members**



The Remuneration Board's Determination budget for 2021-22 is set at £16.819 million. The current forecast for this budget line is £15.332 million, an underspend of £1.487 million.



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Budget meetings with Members' Business Services (MBS) have indicated that there is a high likelihood that this amount of £1.487 million remaining unutilised.

It would not be considered prudent to reduce this budget line by £1.487 million due to ability of the Remuneration Board to make changes to the Determination during the remaining part of the financial year and the likelihood of unexpected items impacting on this budget e.g. death in service payments and late claims.

We are mindful of our commitment regarding any underspend against the Remuneration Board Determination budget in this and in future years. Accordingly, we are adopting the same principle as in previous year for the unutilised sum identified this year; we will not draw down £1.200 million of the identified underspend and we present this supplementary budget to amend the original laid budget.

This underspend is mainly due to the budget reflecting two consecutive pay increases for Members of the Senedd which subsequently did not take place.

### **Election related expenditure**

The election budget for 2021-22 is set at £2.600 million. The current forecast for this budget line is £1.936 million, an underspend of £0.664 million.

It would not be considered prudent to reduce this budget line by £0.664 million in case of any late items arising that could be associated with e.g. new members. We will not draw down £0.500 million of the identified underspend and we present this supplementary budget to amend the original laid budget.

The Commission is therefore proposing a Supplementary budget for its operational Budget of £41.695 million, no change on the original budget and is proposing a decrease of £1.7million in its budget for Member related expenditure. The effect on the overall Commission budget for 2021-22 is shown in the table below:

	Approved Budget	Proposed Supplementary Budget	Proposed revised Budget
Resource Budget	£41.695	-	£41.695
Members' budget	£16.819	-£1.200	£15.619
Election Budget	£2.600	-£0.500	£2.100
AME Budget	£1.800	-	£1.800
<b>Total</b>	<b>£62.914</b>	<b>-£1.700</b>	<b>£61.214</b>

In accordance with Standing Order 20.32, following your Committee's consideration of this request, the Commission will be laying an explanatory memorandum noting this Supplementary Budget



request. A copy of this explanatory memorandum is attached for your convenience. If you need further information, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Skates', with a large, stylized flourish at the end.

Ken Skates MS

cc Manon Antoniazzi, Nia Morgan

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



# **Supplementary Budget 2021-22:** Explanatory Memorandum

January 2022



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# **Supplementary Budget 2021-22:** Explanatory Memorandum

January 2022





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## 1. Background

The Commission's **2021-22 Commission Budget** was included in the Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 11 November 2020, following scrutiny by the Senedd's Finance Committee.

The budget motion provided the Commission with £62.914 million of Resource Budget in relation to:

- £41.695 million for Senedd services;
- £16.819 million for the Remuneration Board's Determination for Members of the Senedd; and
- £2.600 million for election related costs.

A further £1.800million was provided for non-cash accounting adjustments in respect of the Members of the Senedd Pension Scheme, through the Annually Managed Expenditure budget.

This Explanatory Memorandum is laid in compliance with Standing Order 20.32, in support of changes to be proposed to the Commission's approved 2021-22 supplementary budget, via a Supplementary Budget Motion.

### Explanatory memorandum

The effect of the Commission's supplementary budget will be to decrease the Remuneration Board's Determination budget and to also decrease the budget for election related costs.

In the **2021-22 Commission Budget** document, there was a commitment to return surplus funds within the post-election costs budget to the Welsh Consolidated fund. This is also the approach taken with surplus funds remaining within the Remuneration Board's Determination budget.

There continues to be pressure on the Commission's operational budget, particularly to fund staffing costs, however, no additional funds have been requested within this Explanatory Memorandum to address this increasing demand for Commission services. We continue to respond to the additional challenges brought about by e.g. the increased security threat and the pandemic, including the increase in hybrid working, within the constraints of the 2021-22 operational budget.

## Remuneration Board's Determination for Senedd Members

The Remuneration Board is the independent body that determines the pay and remuneration of Members and their staff and the system of financial support needed for Members to fulfil their responsibilities as elected representatives.

The Determination provides funds to cover the expenses associated with being a Member and / or an Office Holder, for example:

- running an office and engaging with constituents;
- salaries and travel expenses of the support staff;
- residential accommodation in Cardiff for Members whose home is a significant distance away (eligibility criteria apply); and
- support for the Party Groups and policy research.

The final costs cannot be calculated accurately until after 31 March 2022, with forecasts made during the year. Based on current expectations, mainly due to staff vacancies and Senedd Members not receiving a pay award for two years, not all of the funds budgeted for salaries and other allowances are likely to be called upon.

The Commission is therefore proposing a supplementary budget for the Remuneration Board's Determination for Senedd Members of £15.619 million, a reduction of £1.200 million. This does leave sufficient contingency to manage any variation from the estimate in the final year-end figures

## Election related expenditure.

The election budget provides funds to cover the costs of terminating the office of those Members who are not returned after the election (by way of resettlement grant) and their support staff who will receive redundancy payments.

This budget is also used to provide ICT equipment (to new and returning members) and additional support to new incoming Members, meet the costs of the Official Opening and any accommodation changes that are required.

By including this as a distinct budget, the specific election related costs charged to the budget are transparent and easily identifiable. As noted in the **2021-22 Commission Budget** surplus funds, after all costs have been met will not be drawn from the Welsh Consolidated Fund. The Commission is therefore proposing a supplementary budget for the Election budget of £2.1 million, a reduction of £0.5 million.

## **Budget impact**

The Supplementary Budget Motion proposes the following:

- A decrease in the Remuneration Board's Determination budget of £1.2 million, to £15.619 million.
- A decrease in the election related expenditure budget of £0.5 million, to £2.1 million.

## 2. Budget Ambit

This supplementary budget submission is laid in compliance with Senedd Standing Order 20 to assist in the compilation of the Budget Motion required by Section 126 of the Government of Wales Act 2006. This submission seeks to amend the resource and annually managed expenditure requirements of the Senedd Commission for the year ending 31 March 2022.

The Supplementary Budget Motion authorises the net resources to be used for the services and purposes of Members and Senedd Services. The motion includes the maximum income (or accruing resources) that may be retained for use on those services and purposes instead of being paid into the Welsh Consolidated Fund, and the cash amount that will need to be issued from the Welsh Consolidated Fund to meet the anticipated net amounts falling due for payment by the Commission.

***The amended 2021-22 Budget for the Senedd Commission, addressing the revised requirements, is set out in Table 1 below.***

Table 1	Revised £000
Resources other than accruing resources for use by the Senedd Commission (“the Commission”) on resource and capital costs associated with the administration and operation of services to support the Senedd; promotion of the Senedd including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Senedd or the Commission.  Resources other than accruing resources for use by the Commission in respect of decisions of the Remuneration Board and expenditure in respect of Members of the Senedd Pension provision.	61,214
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the Commission: <ul style="list-style-type: none"> <li>▪ from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; or</li> <li>▪ rental income; gifts; grants; recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Senedd.</li> </ul>	220
Amount to be issued from the Welsh Consolidated Fund to meet the anticipated amounts falling due for payment in the year in respect of the above services and purposes less expected retainable receipts and recoverable VAT.	57,463

**Table 2 below reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund.**

<b>Table 2: Cash requirement</b>	<b>£'000</b>
	<b>2021-22</b>
	<b>Revised</b>
Members' net revenue requirement	15,619
Election related expenditure	2,100
Commission net revenue requirement	41,195
Net capital requirement	500
Annually Managed Expenditure	1,800
<b>Subtotal</b>	<b>61,214</b>
<b>Adjustments</b>	
Depreciation	(2,250)
Movements in provisions	(1,800)
Movement in debtors and creditors	299
<b>Subtotal</b>	<b>(3,751)</b>
<b>Net cash requirement from the Welsh Consolidated Fund</b>	<b>57,463</b>

## Public Services Ombudsman for Wales

### 2<sup>nd</sup> Supplementary Budget Motion 2021/22

#### Explanatory Memorandum to the Chair of the Finance Committee

This Supplementary Budget submission has been completed consistently with Standing Orders 18A.2 and 20.36 of the Welsh Parliament dated November 2021.

#### Background

The Estimate for 2021/22, presented to the Committee in October 2020, showed Resource and Cash requirements unchanged from the 2020/21 budget at £5,110k and £5,070k respectively. No additional resources were sought, with the intention of self-funding increases in pay costs resulting from staff salary increments. In accordance with expectations, in September 2020, of a public sector pay freeze, no allowance was made for a pay award. However, a pay award offer of 1.75% has now been made by local government employers (rejected by trade unions) with pay offers considerably in excess of this being agreed or proposed in both private and public sectors.

I have endeavoured to contain in-year pressures by making in-year savings where possible. Since nearly 80% of the budget is taken up by staff costs, that has meant that I have delayed filling some posts, which creates its own challenges at a time when incoming caseload (to end October) is up 29% on 2019/20 (and up 57% on 2020/21). I have also reduced planned expenditure on staff training.

Whilst these measures allow me to meet 1.75% of the currently anticipated cost of the pay award, amounting to £65k, I am unable to manage any additional pay award.

I anticipated that IT costs would continue in line with the 3-year plan as part of the wider Technology Roadmap to 2029/30. However, the new IT support provider has identified critical improvements that are needed ensure that systems are resilient and secure.

These one-off pressures were not anticipated in the first Budget Motion and necessitate me making this Supplementary Budget submission.

#### Previous Supplementary Budget submissions

Over the last seven years I have used the Supplementary Budget process only in respect of extraordinary/one-off events. I have always looked to manage within the budget allocated and do not make Supplementary Budget submissions lightly. The occasions I have made Supplementary Budget submissions have been:

- To meet the costs of a High Court judgment against a decision of the Adjudication Panel for Wales in a high-profile Code of Conduct case
- Capital fit out costs for accommodation at Bocam Park following changes to accommodation and a new lease agreement.
- To vary the budget between revenue and capital at nil net cost

- To return cash to the Welsh Consolidated Fund – this related to pensions, with cash returned in 2017/18 and in 2020/21, totalling £1.3 million.

The overall net effect of Supplementary Budget submissions during my tenure has been a net repayment to the Welsh Consolidated Fund of just under £1 million.

For completeness, I would add that I was also requested to use the Supplementary Budget process, instead of the Estimate, for sector-wide changes to employer pension contributions and for the costs of new powers once the 2019 Public Services Ombudsman (Wales) Act received Royal Assent and commencement dates were set.

### **Supplementary Budget Sought**

I propose a variation to the annual budget motion in compliance with Standing Order 20.36 in respect of:

- A contingency sum of £85k being the additional amount we would contractually have to pay staff should the pay award be settled at 4%, and not 1.75%.
- One-off IT costs of £91k to manage weaknesses identified in IT systems that were not known at the time the original estimate was prepared in September 2020.

### **Staff Salaries and Related Costs**

Staff pay is linked to Local Government NJC pay negotiations. The latest pay offer of 1.75% has been made by the employers' side but not accepted as of December 2021. There is still a great deal of uncertainty over the timing and final amount of the pay award, and our expectation is the pay award will be settled at around 4% by the end of March 2022. This is based on a settlement agreed in Scotland that will result in council workers receiving a pay rise of between 3.4% and 4.7%. Although I assumed a pay freeze in the Estimate, I intend to fund any pay award up to 1.75% from existing approved budgets through savings already identified.

Having consulted with the Finance Control Department within the Permanent Secretary's Group I have been advised to include a contingency in our Supplementary Budget that that would cover a pay award of up to 4%, of which we will fund 1.75%. There is no mechanism for PSOW to draw down more cash than is allowed within an approved Budget Motion, and therefore if the pay award is more than 1.75%, we would be unable to meet our contractual obligations to staff. This amounts to £85k, however, if the pay award is settled at less than 4% I will return all excess contingency as part of our year balance repaid to the WCF under the Government of Wales Act 2006.

### **IT**

I am mindful of the ongoing cyber security threats to all IT systems, and of the office's increasing reliance on IT systems for all its work and communications. The changes introduced to support effective working at home during the pandemic further increase the dependence on IT systems. I therefore commissioned my new IT support provider to review IT systems to identify risks to security, resilience and performance.

Their report has identified critical investment required to manage security and performance deficiencies. The total cost is £91k comprising £70k revenue and £21k capital of which £88k is one-off and £3k recurring. Whilst these are significant costs, I am mindful of the huge costs of loss of IT systems and/or data and the high cost in non-productive staff time if systems are lost. Whilst the actual costs of loss of IT systems and/or cyber-attack (possibly leading to data loss) will vary substantially depending on the nature of the incident and the size of the organisation, recent estimates (Ponemon Institute) are that a cyber security incident could cost around £2.9m to manage and resolve, as well as being hugely disruptive for staff and service users.

In this context I concluded that I must follow the expert advice and make the improvements and updates recommended, without delay.

A break-down of the costs can be provided confidentially to the Committee if requested but, for obvious reasons, I do not wish these to be in the public domain.

These changes are summarised below:

	<b>Resource £000s</b>	<b>Cash £000s</b>
<b>Budget Motion 2021/22</b>	5,110	5,070
<b>Pay award contingency</b>	85	85
<b>ICT Security and Resilience Upgrades</b>		
Revenue (one-off)	67	67
Revenue (recurring)	3	3
Capital (one-off)	21	21
Depreciation*	2	-
<b>Resources Required</b>	<b>5,288</b>	-
<b>Cash Requirement</b>		<b>5,246</b>
<b>Increase</b>	<b>178</b>	<b>176</b>

\* Note: An increase of £2k in depreciation will result from the capital element.

The existing and proposed revised budgets are shown in full overleaf.

<b>Supplementary Budget</b>	<b>2021/22</b>		
Public Services Ombudsman for Wales	<b>Budget</b>	<b>Changes</b>	<b>Revised Budget</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Staff salaries and related costs	3,985	85	4,070
Premises and facilities, including leases	379		379
Professional fees	246		246
ICT costs	212	70	282
Office costs	99		99
Travel, training and recruitment	75		75
Communications	46		46
<b>Total Revenue Expenditure</b>	<b>5,042</b>	<b>155</b>	<b>5,197</b>
Total Income	(17)		(17)
<b>Net Revenue Expenditure</b>	<b>5,025</b>	<b>155</b>	<b>5,180</b>
Capital Expenditure	25	21	46
<b>Total Operational Resource</b>	<b>5,050</b>	<b>176</b>	<b>5,226</b>
Depreciation and amortisation charges	60	2	62
<b>Total Resource Expenditure</b>	<b>5,110</b>	<b>178</b>	<b>5,288</b>
Depreciation and amortisation charges	(60)	(2)	(62)
Other non-cash movements	20		20
<b>Cash Requirement from WCF</b>	<b>5,070</b>	<b>176</b>	<b>5,246</b>

# Explanatory Memorandum to the Finance Committee Regarding the Variation of the Estimate of the Wales Audit Office for the Year Ending 31 March 2022

Issued: January 2022

Document reference: 2793A2022-23

Submitted to the Finance Committee of the Senedd for consideration under Standing Order 20.35.

Adrian Crompton  
**Auditor General for Wales**

Lindsay Foyster  
Chair, on behalf of the **Wales Audit Office**

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## Introduction

- 1 For each financial year, the Wales Audit Office must submit an annual estimate of its income and expenditure to the Finance Committee of the Senedd. The responsible committee must examine that Estimate and lay it before the Senedd after making any amendments that it considers appropriate.
- 2 The Estimate for the Wales Audit Office for 2021-22 was included in the Welsh Government's Annual Budget Motion under Standing Order 20.26 and was approved in Plenary on 9 March 2021 following scrutiny by the Finance Committee.
- 3 The budget motion authorised the Wales Audit Office to retain £14.461 million of accruing resources, generated through fees charged to audited bodies and a grant from the Welsh Government, and supplied a further £8.148 million of other resources in support of our expenditure plans for the year. Together, this £22.609 million is used to fund the costs of the Wales Audit Office in delivering its duties under the Public Audit (Wales) Act 2013.
- 4 The Wales Audit Office now seeks to amend the approved Estimate for the year ending 31 March 2022.

## Reason for change

### Changes to our travel and subsistence arrangements

- 5 On 21 September 2020, the [Finance Committee of the Fifth Senedd](#) considered a report from our external auditors RSM UK Audit LLP on the value for money of the travel and subsistence arrangements at Audit Wales – including the payment of an annual travel allowance to its operational staff.
- 6 In its report on the [annual scrutiny](#) of the Wales Audit Office in November 2020 the Committee welcomed the value for money study and was 'mindful of the direct financial consequences for employees and the need to ensure that due consideration is given to salaries and staff retention when proposals to change the Travel Allowance Scheme are developed'.
- 7 The Committee recommended that:  
'an update is provided as the project to review the travel scheme progresses, including the outcome of discussions with staff and Trade Unions on the changes proposed, as well as the timelines for implementation and projected savings'.
- 8 Having considered the RSM report, the Wales Audit Office Board determined that the travel allowance element of our travel and subsistence arrangements should be removed and established a staff 'Task and Finish' group to make proposals for how staff should be reimbursed in the future for any travel necessary to carry out their work.

- 9 The 'Task and Finish' group reported back to the Board in July 2021 making a number of proposals, including providing staff with the option of a two-year transition period or an upfront payment equivalent to slightly more than the value of the allowance for two years.
- 10 The Board has agreed to implement these proposals which means that we will need to make provision for the potential cost of the upfront payment in the current financial year.
- 11 The additional resource cover requested is the maximum we would need if all staff take up the option of an upfront payment rather than the two-year transition.
- 12 **Exhibit 1** below demonstrates the costs and savings of the proposals (assuming that all staff take the upfront payment) and demonstrates that payback will be achieved within less than two years. Once all proposals are fully implemented in 2024-25, we anticipate ongoing annual savings in the region of £200,000.
- 13 In the event that some staff choose the option of a two-year transition period, the initial cost will be reduced, and the resulting savings will be delayed until 2024-25.

#### Exhibit 1 – costs and savings of proposed new travel and subsistence arrangements

	2021-22 £'000	2022-23 £'000	2023-24 £'000	Three-year total £'000
Upfront payment	1,480			1,480
Savings		(762)	(762)	(1,524)
Payback	1,480	718	(44)	(44)

## Adjustments to resource budgets

- 14 As explained above, the Wales Audit Office is seeking an increase to its revenue resources for 2021-22 by £1.48 million. This is the maximum that will be required and any underspend against the total resource requirement will be declared to WCF.
- 15 No additional cash resources are required for 2021-22 – the cash adjustment is reflected in our Estimate for 2022-23.
- 16 As requested by the Finance Committee, in the event that the take-up of the upfront payment is significantly less than expected, a Supplementary Estimate for 2022-23 will be prepared to adjust the cash drawdown accordingly.
- 17 The budget changes required for 2021-22 are set out in **Exhibit 2**.

**Exhibit 2: budget changes 2021-22**

	Approved Estimate 2021-22 £'000	Supplementary Estimate 2021-22 £'000	Revised Estimate 2021-22 £'000
Revenue resource	7,798	1,480	9,278
Capital resource	350	–	350
Accruing resources	14,461	–	14,461
Total expenditure	22,609	1,480	24,089
Net cash requirement	8,368	–	8,368

# Appendix 1

## Summary of the 2021-22 budget requirements for inclusion in the Welsh Ministers' Supplementary Budget Motion under section 126 of the Government of Wales Act 2006

Under section 126 of the Government of Wales Act 2006 (the 2006 Act), Ministers may move a Supplementary Budget Motion in the National Assembly to authorise the use of resources, retention of income and drawings of cash from the Consolidated Fund for certain relevant persons, including the Wales Audit Office.

In respect of the services and purposes of the Wales Audit Office in the year ending 31 March 2022, the Budget Motion will authorise:

- the amount of resources to be used by the Wales Audit Office;
- the amount of resources accruing to the Wales Audit Office which may be retained (rather than paid into the Consolidated Fund); and
- the amount which may be paid out of the Consolidated Fund to the Wales Audit Office.

These requirements, which due to the variability of income streams can only be estimates, are summarised in **Tables 1 and 2** below.

**Table 1: summary of the estimated 2021-22 budget requirements**

	£'000
Resources other than accruing resources for use by the Wales Audit Office on the discharge of the statutory functions of the Wales Audit Office, the Auditor General and local government appointed auditors, and on the administration of the Wales Audit Office:	
• Revenue	9,278
• Capital	350
Accruing resources from fees and charges for audit and related services; other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences and provision of administrative and professional and technical services for use by the Wales Audit Office on related services and the administration of the Wales Audit Office.	14,461
Net cash requirement from the Consolidated Fund to meet the net amounts falling due for payment in the year by the Wales Audit Office.	8,368

**Table 2: reconciliation of resource requirement to cash drawing requirement from the WCF**

	£'000
Net request for resources – revenue and capital	9,628
Non-cash adjustment – depreciation	(280)
Non-cash adjustment – movements in working capital	500
Non-cash adjustment – provision for an upfront payment to be paid in 2022-23	(1,480)
Net cash requirement from the WCF to meet the net amounts falling due for payment in the year by the Wales Audit Office	8,368





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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# Agenda Item 8

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

Document is Restricted

## Business Committee

### Senedd Cymru

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### Welsh Parliament

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0300 200 6565

To: Chairs of Senedd committees, via email

7 January 2022

### Review of the committee timetable and committee remits

You will recall that, on 16 December 2021, the Chairs' Forum considered, and endorsed, the Business Committee's suggested approach to conducting a review of the committee timetable and committee remits.

Chairs expressed a range of different views at the 21 December meeting, with some Chairs finding the current timetable challenging, whilst others expressed concerns about changing the current approach. There were no concerns raised about committee remits, although it is proposed that remits will continue to fall within the scope of this review.

To build on this, I invite you to discuss the review with your committees and to provide a written response to the review. The focus of this aspect of the review is to gather the agreed view of each committee.

In doing so, I would be grateful if you would consider the terms of reference for the review, and a number of specific questions. Whilst addressing the questions will be helpful, they are not intended to be prescriptive.

The terms of reference, and questions, are enclosed with this letter.

I also enclose a copy of the paper considered by the Business Committee and the Chairs' Forum.

Whilst you might wish to refer to feedback you have received from external stakeholders in your response, the Business Committee does not expect committees to consult with stakeholders in the time available for this review.

The timescale for this review is tight, as the Business Committee is aiming to implement any changes arising from the review at the start of the summer term 2022.

Consequently, as agreed at the Chairs' Forum meeting on 16 December 2021, the review will need to be completed in early March in order to provide committees with sufficient time to plan for any changes made.

To enable this, please submit your written response by 12pm on Friday 4 February 2022. This is a week later than the original deadline proposed in the suggested approach.

Alongside this consultation with committees, Business Managers will be discussing the review with their Groups, and individual committee members will be surveyed too.

Draft proposals, based on the evidence gathered, will be discussed at the Chairs' Forum meeting on 17 February 2022. The Business Committee will then make decisions about the future timetable and committee remits in the light of that discussion.

If you require any further information, please contact the Clerk to the Chairs' Forum, Alun Davidson, who is supporting the Business Committee with this review.

Yours sincerely,



Elin Jones MS

Llywydd

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

## [Enclosure 1]

# Business Committee: Review of the committee timetable and committee remits

## Terms of reference and consultation questions

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### Terms of reference

To review the current approach to the committee timetable, and committee remits, with a view to identifying any changes to the approach that could improve committee effectiveness, whilst maintaining an appropriate balance between the time committee members spend on committee work (in and outside committee meetings) and their wider responsibilities.

### Consultation questions

#### Timetable - status quo

---

To what extent does the current approach to the committee timetable provide:

sufficient time for committees to undertake their work effectively?

sufficient flexibility to meet peaks in committee workloads and/or future business requirements for additional committee capacity?

an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?

#### Timetable - alternatives to the status quo

---

What changes could be made to the committee timetable to improve committee effectiveness, whilst maintaining flexibility to accommodate additional committee business, and an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?

If changes are to be made to the timetable, when should these changes be implemented?

#### Remits

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Do you believe there is a need to adjust the remit of your committee? For example, to balance work across committees, and/or to improve lines of accountability.

#### Measuring the effectiveness of your committee

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Has your committee established a means of assessing the effectiveness of its work?

*This question is posed in order to determine whether any changes made as a consequence of this review can be monitored in this context.*

## **[Enclosure 2 – Business Committee paper]**

# Review of the committee timetable, and committee remits: Draft approach

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## **Purpose**

1. To provide a draft approach to the review of the committee timetable, and committee remits, for consideration by the Business Committee.

## **Background**

2. The Business Committee agreed a fortnightly committee timetable at the start of the Sixth Senedd, on the basis that it would provide:
  - sufficient meeting time for committees to perform their roles;
  - a fair balance between the time members are expected to spend on committee work and their wider responsibilities;
  - flexibility for committees to hold additional meetings when there is a need to complete time-limited work, and/or address peaks in workload; and
  - sufficient flexibility to accommodate an additional committee in the system, if needed (currently the Special Purpose Committee).
3. In addition to a fortnightly timetable, the Business Committee increased the amount of time available during the week within which committees could meet – this includes Monday mornings and the occasional use of Fridays for Stage 2 consideration of Bills.
4. Protected weeks were retained, to provide dedicated time for the Chairs' Forum, Scrutiny of the First Minister Committee, and further additional meeting time for committees to request if needed.
5. A secondary objective, expressed at the time the timetable was agreed, was to encourage committees to make efficient use of their meeting time. For example, to hold one-off stakeholder roundtables to gather a range of evidence at once, rather than deploying the more traditional “panel after panel” approach to evidence gathering over a number of weeks.
6. The Business Committee previously agreed to review the committee timetable, and the remits of committees, at Easter 2022 i.e. after two terms of operation.

7. However, the volume of requests from committees for additional meetings, and the concerns expressed by some committees with the current timetable, have led to this review being brought forward.
8. The Llywydd has also indicated that the Chairs' Forum would be consulted on the review at its 17 February meeting.
9. Most concerns raised to date have been in relation to timetabling, rather than remits, though concerns have been raised about the breadth of the remit set for the Legislation, Justice, and Constitution Committee.
10. The proposals in this paper suggest reviewing both timetabling and remits at the same time, due to the possible interdependency between the two i.e. if a review of remits resulted in the creation of a new committee, the timetable would need to take account of this.
11. It would be possible to separate these reviews, should that be the Business Committee's preference, though a review of remits that took place at a later date might necessitate further changes to the timetable.

## Draft terms of reference

12. Draft terms of reference are suggested in the box below:

### Draft terms of reference

*To review the current approach to the committee timetable, and committee remits, with a view to identifying any changes to the approach that could improve committee effectiveness, whilst maintaining an appropriate balance between the time committee members spend on committee work (in and outside committee meetings) and their wider responsibilities.*

13. The review will consider the status quo and options for the future operation of the timetable.
14. Under the headings below are questions that expand on the terms of reference, and could be addressed during the course of the review:

### Timetable – status quo

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Does the current approach to the committee timetable provide:

- sufficient time for committees to undertake their work effectively?
- sufficient flexibility to meet peaks in committee workloads and/or future business requirements for additional committee capacity?

- an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?

## Timetable – alternatives to the status quo

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- What changes could be made to the committee timetable to improve committee effectiveness, whilst maintaining flexibility to accommodate additional committee business, and an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?
- If changes are to be made to the timetable, when should these changes be implemented?

## Remits

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- To consider whether committee remits should be adjusted. For example, to balance work across committees, and/or to improve lines of accountability.

## Interdependencies

**15.** The review will need to consider:

- the resourcing and/or technological constraints on timetabling, and how this should be managed in the future e.g. the number (and type) of committee meetings that can be held concurrently; and
- the impact on Senedd Commission resources, including staffing, of any changes proposed as a consequence of this review (or maintaining the status quo, should that be the preferred option).

## Committee effectiveness

**16.** The review could consider the extent to which Committees have established means of assessing the effectiveness of their work, so that any changes made as a consequence of this review can be monitored in this context.

**17.** This could be extended to capture any committee innovation that has arisen in response to a fortnightly (and more flexible) timetable e.g. alternative approaches to evidence gathering, work conducted outside meetings etc.

## Evidence gathering

**18.** The following approach to evidence gathering is proposed:

- **Committees** – the Business Committee invites each committee to provide a written response to the questions posed by the review.
- **Committee members** – committee members will be invited to complete a survey to obtain their views on the time currently allocated for committee work, their view on

what the correct balance should be between time spent on committee work and their wider responsibilities, and the level of priority they are able to dedicate to committee work.

- **Chairs** – the Chairs’ Forum is consulted on any proposals for change that arise from the review, prior to proposals being finalised.
- **Party Groups** – Business Managers invite a view from their party groups.
- **Data** – data on the usage of allocated time, additional meeting time, and types of committee activity, can be provided.

## Timescales

### December 2021

- Consult the Chairs’ Forum on the terms of reference and approach to the review (16 December).

### January 2022

- Three-week period of evidence gathering (10 – 28 January).

### February 2022

- The Business Committee considers draft proposals, based on the evidence received (8 February)
- The Chairs’ Forum considers the draft proposals and the timing of the introduction of any changes to the timetable (17 February)).

### March 2022

- The Business Committee confirms proposals (1 March).  
The Business Committee publishes a report and tables any motions needed to give effect to remit changes (should there be a need for any) (to be made in Plenary on 9 March).

### April 2022

- Timetable changes to be implemented at the start of the summer term.

## Consulting the Chairs’ Forum

**19.** Whilst there is an appetite to resolve perceived issues with the timetable quickly, there is a tension between this and the lead-in time needed for committees to plan their work.

**20.** The Business Committee might wish to consult the Chairs’ Forum, at its meeting on 16 December, on the scope and timescale for the review before taking a final decision.

