

Statement of Principles that the Finance Committee of the Senedd Cymru expects Directly Funded Bodies to have regard to when making budget proposals¹ (8 July 2021)

July 2021

Introduction

1. This paper comprises a series of principles that Directly Funded Bodies ('DFBs') should consider when preparing their annual budget proposals.
2. The Finance Committee believes budget estimates should be transparent, prudent and reflect the financial constraints in the public sector.

Principles approach

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.
4. Requests should show how annual and multi-annual objectives will be prioritised, monitored and achieved.
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.
6. DFBs should continually seek to improve processes and accrue efficiencies.
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.

Available information to drawn upon

8. The Welsh Government will provide information to the Finance Committee prior to summer recess on various factors which can be drawn upon to inform future budget plans such as the latest guidance on public sector pay remits, GDP deflator forecasts, forecasts of devolved taxes and the Welsh Government's best possible assessment of the overall level of funding available in future years. This information will be forwarded on to DFBs by the Finance Committee for consideration.

Review of the Statement of Principles

9. This document will be reviewed by the Finance Committee the year of implementation and periodically thereafter and updated as necessary.

¹ Senedd Commission; Auditor General for Wales and the Wales Audit Office; Public Services Ombudsman for Wales