

Huw Irranca-Davies MS
Deputy First Minister and
Cabinet Secretary for Climate Change and Rural Affairs

28 October 2024

Dear Huw,

Request for information to inform scrutiny of Draft Budget 2025–26

I am writing to request written information to support our scrutiny of the Welsh Government's Draft Budget 2025-26. As you will know, arrangements are being made for you to attend the Committee's meeting in January 2025 to give oral evidence on the matter.

The annex to this letter sets out in detail the information that we would like to receive. Of course you should not feel limited by our request, and are welcome to address any other issues you believe will assist the Committee in its budget scrutiny work.

Please can you provide this information by 11 December 2024.

With many thanks for assisting us in our scrutiny work.

Yours sincerely,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Annex

Request for information from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to inform the Economy, Trade and Rural Affairs Committee scrutiny of the draft budget 2025-26.

Presentation of the budget

The Committee will present its findings on the Draft Budget according to an agreed coordinated approach centred on four principles of financial scrutiny:

- Affordability - to look at the big picture of total revenue and expenditure, and whether these are appropriately balanced;
- Prioritisation - whether the division of allocations between different sectors/programmes is justifiable and coherent;
- Value for money - essentially, whether public bodies are spending their allocations well – economy, efficiency and effectiveness (i.e.) outcomes; and
- Budget processes – whether they are effective and accessible, and whether there is integration between corporate and service planning and performance and financial management.

Please provide the following for the Rural Affairs draft budget as a whole:

- A breakdown of the 2025-26 draft budget, and any future indicative budgets, by Spending Programme Area, Action and Budget Expenditure Line (BEL), both revenue and capital, along with 2024-25 Budget allocations as a comparison;
- Details of the evidence base for budget decisions;
- A narrative description of the main policies and programmes funded by each BEL;
- Details of the processes in place for monitoring budgets throughout the year, identifying potential deficits and surpluses, and taking remedial action to get the budget back on track or allocating additional funds to cover any shortfalls;
- Details of any policy or programme evaluation reports/reviews which have informed changes to the draft budget to help to ensure value for money;
- The implications of increased cost of living on budget allocations and programmes;
- Any implications for the draft budget relating to recovery from the Covid-19 pandemic;

- Any implications for the draft budget relating to EU transition following the UK's withdrawal from the EU;
- How the draft budget provides for the implementation of legislation passed in the Senedd, as well as any relevant UK legislation;
- What account has been taken of the Wellbeing of Future Generations (Wales) Act 2015 in deciding draft budget allocations;
- Details of how the draft budget has been influenced by any equality, sustainability and Welsh language impact assessments;
- How the draft budget reflects the Welsh Government's long-term commitment to reduce the impact of deprivation and poverty; and
- How the Welsh Government has planned for demographic changes in preparing the draft budget, particularly the need to plan for an ageing population.

Preventative Spending:

We will consider preventative spending as part of our scrutiny of the Draft Budget. The definition of preventative spending adopted for this purpose is:

... spending which focuses on preventing problems and eases future demand on services by intervening early, thereby delivering better outcomes and value for money.

With this definition in mind, we request information on:

- The proportion of the Rural Affairs budget allocated to preventative spending measures;
- Details of specific policies or programmes relevant to the remit of this Committee that are intended to be preventative, and how in practice public services are being transformed to ensure they are sustainable in future; and
- How the value for money of such programmes is evaluated, with a particular focus on what the specific inputs and intended outcomes are.

Individual budget expenditure lines

As well as general information on the individual Budget Expenditure Lines relevant to the Committee, we would like to receive the following information on the policies and issues outlined below:

- Details of the costs and/or any work undertaken to assess the cost of delivering these policies in 2025-26;

- Information relating to how the delivery of the policy and its associated outcomes will be monitored and evaluated to demonstrate value for money; and
- How equality, sustainability and consideration for the Welsh language have influenced budget allocations.

Rural Affairs

Programme for Government 2021-2026:

- An explanation of how the budget allocations within your portfolio align to Programme for Government.
- How the Rural Affairs budget allocations address the Welsh Government's commitment to respond to the climate and nature emergencies across all policy areas.

Preventative Spend:

- Details of the proportion of portfolio budget allocated to preventative spending measures and how this has increased compared to last year's budget.
- Details of which specific policies or programmes in the portfolio are intended to be preventative.

Evidence-based policy making

- An explanation of how you have used evidence in prioritising your draft budget allocations and how you will monitor and evaluate programmes to ensure they provide value for money and inform future budget setting processes.
- Details of how the development of the draft budget has been informed and influenced as a result of consultation with stakeholders. For example, work by the Senedd Citizen Engagement team found that when prioritising agriculture, many participants talked about food production and access to healthy food, and becoming more self-sufficient in order to be more mindful of climate change.

Well-being of Future Generations Act

- Examples of how the Act has informed decisions on specific budget allocations.
- Details of how the impact assessment process has influenced the development of the draft budget, including examples of where a decision has been assessed against the Welsh Government's well-being objectives.

Equality, Welsh language and children's rights assessment

- Details of how you have considered the impact of the draft budget on groups with protected characteristics and the Welsh language, including details of any relevant impact assessments.
- Details of how children's rights have been considered in the budget decisions for the portfolio.

Specific areas of policy

I would be grateful if you could provide information about budget allocations in the following policy areas, and the purposes for which they have been allocated:

- The development and implementation of agricultural policy including the proposed Sustainable Farming Scheme for Wales;
- The development of fisheries policy, including the delivery of Fisheries Management Plans;
- Bovine TB eradication and other animal disease control such as avian flu and bluetongue;
- Development and implementation of food and drink policy, including the Community Food Strategy;

Please could you also provide an update on discussions with the UK Government about future funding for agriculture support.

Legislation

I would be grateful if you could provide information about the budget allocations for the implementation of existing and planned primary legislation; the implementation of planned and existing subordinate legislation; and for the implementation of any relevant new UK legislation.

The Committee would also be grateful if you could provide details of how allocations in the draft budget will address the following matters:

- Continued agricultural payments ahead of transition to the new Sustainable Farming Scheme – the Basic Payment Scheme and interim replacement schemes such as the Habitat Wales Scheme, the Organic Support Payment and the Integrated Natural Resources Scheme.
- The process of transition to the new Sustainable Farming Scheme such as piloting, outreach e.g. support for Farming Connect, administrative arrangements and research and development;

- Bovine TB Eradication Programme (including Delivery Plan, testing and compensation);
- The implementation, enforcement and review of the Water Resources (Control of Agricultural Pollution) Regulations 2021;
- Continued financial assistance for the marine, fisheries and aquaculture sectors following the end of the European Maritime and Fisheries Fund (EMFF);
- Key policies included in the new Animal Welfare Plan for Wales 2021-26; and
- Livestock identification and movement policy.

Oversight of borders policy

- Details of funding related to oversight of borders policy.