



Y Pwyllgor Menter a Busnes
Enterprise and Business Committee

Edwina Hart AM
Minister for Economy, Science and Transport
Welsh Government

5 August 2013

Dear Edwina

Budget Scrutiny 2014-15: Economy and Science

In order to inform our budget scrutiny session on the economy and science part of your portfolio on 17 October, I thought it would be useful to set out some areas that we would like you to include in your budget paper.

Last year's budget report

During our scrutiny of the Draft Budget 2013-14 the Committee welcomed the improvements made last year in the presentation and clarity of the Welsh Government's budget documents and the papers that Ministers submitted to Assembly committees. However, the Committee felt there was still room for improvement and made the following recommendation:

“For next year, we should like you to focus on providing us with more information regarding the outputs, outcomes and targets associated with your budget allocations. Wherever possible we should like to see you define the measurable outputs and outcomes you expect to be achieved by a particular area of expenditure, to enable us to do our job in evaluating the effectiveness of your Department's activities.”

The Committee would like to see this recommendation taken on board in the information that will be provided to the Committee in relation to the draft budget for 2014-15.

As was the case last year, the Committee would like to be provided with the individual Budget Expenditure Lines for your portfolio.

Programme for Government commitments

Regarding the Welsh Government's ability to deliver the Programme for Government commitments in relation to the economy and science aspects of your portfolio from within the current allocation, we would appreciate information in relation to:

- Details of the costs associated with the Programme for Government commitments and/or any work being undertaken to assess such costs;
- Whether these commitments are deliverable within the available portfolio budget and details of any areas where affordability is a concern; and
- Information relating to how the delivery of the commitments in your economy and science portfolio, and their associated outcomes will be monitored and evaluated to demonstrate value for money.

In relation to the above bullet points we are particularly interested in:

- The implementation of strategies and action plans for key sectors. The Programme for Government Annual Report 2013 suggests that the Welsh Government has 'compiled a series of measures to inform both future policy making and resource allocation' with regard to the key sectors. The Committee would like to see further information as to the way these measures have influenced the draft budget allocations for 2014-15.
- The Partnership for Growth: the Welsh Government's Tourism Strategy for 2013-2020.
- The promotion and attraction of trade and inward investment.
- The successor to the Broadband Support Scheme that is expected to be available in September 2013.

Policy development

There are numerous areas of your portfolio for which policies have recently been or are currently under development, or are in the early stages of implementation. For each policy, as appropriate, we would like to see:

- Details of the costs associated with the policy recommendations put forward for your consideration and/or any work being undertaken to assess such costs;
- Details of the costs (or potential costs) associated with your planned approach to take forward the policy and/or implement any of the recommendations received (and or any work being undertaken to assess such costs);
- Whether these plans/commitments are deliverable within the available portfolio budget and details of any areas where affordability is a concern; and

- Information relating to how the delivery of the policy, and its associated outcomes will be monitored and evaluated to demonstrate value for money.

Regarding the above bullet points the Committee would particularly like to receive information in relation to city regions; business rates (including charities and social enterprises); co-operatives and mutuals; improving access to business finance; enterprise zones; Innovation Wales and local growth zones.

Preventative Spending

We are interested in considering preventative spending as part of our scrutiny of the Draft Budget 2014-15. The definition of preventative spending that is being 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 would like information on:

- The proportion of the economy and science budget allocated to preventative spending measures;
- Details of which specific policies or programmes in the economy and science aspects of your portfolio are intended to be preventative; and
- How the value for money of such programmes is evaluated, with a particular focus on what the specific inputs and intended outcomes are.

Provision for Legislation

The Committee would like to see:

- Information on the extent to which any Welsh legislation that is currently being passed or is planned in the legislative programme is likely to have any direct or indirect impact on the economy and science aspects of your portfolio in the 2014-15 financial year; and
- Information on the impact on the budget of any UK legislation in the portfolio area.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick', with a horizontal line underneath.

Nick Ramsay AM
Chair, Enterprise and Business Committee