

PBMB07 Finance Committee

Senedd Cymru | Welsh Parliament

Y Pwyllgor Busnes | Business Committee

Adolygiad o'r broses ar gyfer Biliau Cyhoeddus a Biliau Aelod | Review of the Public Bill and Member Bill processes

Ymateb gan: Y Pwyllgor Cyllid | Evidence from: Finance Committee

Elin Jones MS, Llywydd
Chair of Business Committee
By email

28 March 2025

Dear Llywydd,

Business Committee review of the Public Bill and Member Bill processes: Response from the Finance Committee

Many thanks for your letter of 21 January 2025 asking for submissions relating to the Business Committee's review of Public Bills and Members Bills and asking for views on the Public Bill process. Our views are summarised under three main headings below:

The Committee's approach to scrutinising Bills during the Sixth Senedd to date

It is standard practice for the Finance Committee to consider and report on the financial implications of all Bills introduced in the Senedd, unless the Bill is a Consolidation Bill or it becomes clear on introduction that a Bill gives rise to minimal costs. This normally involves holding an evidence session with the Member in Charge, as well as a separate session with the Cabinet Secretary responsible for the policy area if scrutinising a Member Bill, with views, conclusions and recommendations included in a report, which informs the Stage 1 debate on the general principles of the Bill in Plenary.

To date in the Sixth Senedd, the Committee has produced reports on 15 Senedd Bills, comprising 13 Welsh Government Bills and two Member Bills, and is currently considering the financial implications of the [Disused Mine and Quarry Tips \(Wales\) Bill](#).

The Business Committee has referred two government proposed Bills, The Welsh Tax Acts etc. (Power to Modify) (Wales) Bill and the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill, to the Committee to undertake Stage 1 scrutiny of the general principles of the Bill, whilst also assessing their financial implications. Both Bills were introduced close to the publication of the Draft Budget which meant that the Committee was required to consider them in parallel, with the reporting deadlines for each coming shortly after the Final Budget debate during those years.

The Committee has previously called for the Welsh Government to provide a response to its reports prior to the Stage 1 debate in Plenary, particularly as it is standard practice for a vote on the Financial Resolution to be taken immediately after the Stage 1 debate. We wrote to the then First Minister on 16 November 2022 and 19 December 2022 asking for this approach to be adopted as a matter of course.

The then Minister for Rural Affairs and North Wales, and Trefnydd, responded on behalf of the First Minister on 15 February 2023 stating that “all Welsh Ministers will endeavour to respond to the Finance Committee’s Stage 1 report for Senedd Bills in advance of the General Principles debate”. The Committee welcomes this approach and views it as essential in informing the Senedd’s consideration of Bills at Stage 1.

The Committee believes that the current approach of scrutinising each Bill, other than those that do not give rise to significant costs, is working effectively and provides robust scrutiny of the financial impact of Bills. However, we ask the Business Committee to consider the following:

- The Committee’s approach of scrutinising each Bill in detail may not be feasible should the legislative output of the Senedd increase following expansion in 2026. Should the Senedd wish to retain the option of a committee considering the financial implications of all Bills, unless they give rise to minimal cost, then consideration should be given to ensuring that the committee structure of the next Senedd is sufficiently flexible and robust to enable this approach to continue.
- The approach of undertaking Stage 1 scrutiny of Bills in parallel with Draft Budget scrutiny has proved challenging, particularly given the size of the Committee, and we believe that the remits of committees, particularly those with statutory or Standing Order responsibilities, such as budgetary matters, should be taken into account by the Business Committee when deciding to refer Bills for Stage 1 scrutiny as this has the effect of curtailing the capacity available to conduct effective legislative scrutiny.
- We are pleased that the Welsh Government has committed to providing responses to the Committee’s reports prior to the Stage 1 debate, but are disappointed that this wasn’t the default approach at the beginning of the Sixth Senedd, and ask the Business Committee to

consider what changes could be brought forward to safeguard this principle in the Seventh Senedd.

Presentation of financial estimates in Regulatory Impact Assessments

The Committee's current approach in scrutinising legislation builds on the Finance Committee of the Fifth Senedd's inquiry into financial estimates accompanying legislation as well as recommendations made in its Legacy Report. This includes an expectation that all Bills introduced in the Sixth Senedd by the Welsh Government, Senedd Commission, a Senedd Committee or an individual Member, address the following matters:

- The RIA is a key tool in establishing policy. It should be used to critically assess a range of approaches and provide an evidence base to policy decisions. RIAs often seem to be a "by-product" of the decision making process, rather than driving it.
- The Committee's opportunity to scrutinise the costs associated with legislation is currently at Stage 1. All relevant information should be made available before the Senedd is asked to vote on a Financial Resolution committing resources to the Bill.
- The practice of introducing Bills with the intention of making substantial changes at a later stage by amendments by-passes scrutiny and is unsatisfactory.
- Should there be significant changes to the RIA following Stage 1, those changes should be considered by the Committee in more detail. The Committee should reserve the right to scrutinise and request further information from the Member in Charge in regard of any subsequent changes to the costs of a Bill at a later stage.
- Where Bills require the amendment of the EM/RIA this should be undertaken with the same rigour as when the EM/RIA was first prepared. The Welsh Government should undertake any work associated with such changes prior to the deadline for tabling amendments at Stage 3 to enable the Senedd to have as full a picture of the implications of changes as possible. RIAs should contain information about the methodologies and specific content of the postimplementation review. This should include information about the baseline position against which the impact of the Bill can be measured and assessed.
- The Welsh Government should commit to providing full and robust RIAs to accompany any relevant subordinate legislation.

Since the beginning of the Sixth Senedd the presentation of RIAs has seen some improvements, although consistency still varies beyond the initial summary of costs provided and the Committee has regularly asked for these issues to be addressed.

Other developments relating to the quality of information within the RIA includes the following:

- The Committee has raised concerns that the period of high inflation experienced during the Sixth Senedd would lead to additional costs being borne across appraisal periods for Bills. In our report on the [Social Partnership and Public Procurement \(Wales\) Bill](#) the Committee recommended that the “Welsh Government includes inflation when calculating potential costs arising in future Bills to truly reflect the costs borne”. The then Minister for Finance and Local Government subsequently [agreed](#) to provide an affordability assessment that “will make a number of other adjustments to the data in the RIA, focussing on capital and revenue costs and including an assessment of whether those costs can be funded from current and expected future budgets”, adding that “This supplementary financial information will be included in the EM for each Bill introduced from Year 3 of the current legislative programme”.
- The Committee welcomed the publication of a ‘methodology paper’ alongside the RIA for the [Infrastructure \(Wales\) Bill](#) and recommended including such details within RIAs for each Bill thereafter. The Welsh Government stated in [response](#) that “In terms of future Bills, consideration will be given to the most appropriate and transparent presentation of costs and benefits on a case-by-case basis”.

The Committee welcomes improvements to the financial information provided alongside Bills introduced during the Sixth Senedd, most notably the provision of affordability assessments alongside RIAs. However, we also note that the financial information provided can vary significantly from Bill to Bill and greater efforts should be made to develop a consistently high standard of presentation.

Although the Committee has not undertaken scrutiny of the financial implications of any amendments made to Bills following Stage 1 during the Sixth Senedd to date, we firmly believe that the Committee should, as a matter of principle, scrutinise any financially significant amendments before Stage 2 consideration on those amendments takes place, and that opportunities are made available within the timetable to enable this to happen.

Scrutiny of costs relating to subordinate legislation

The issue of the Welsh Government providing full and robust RIAs to accompany any relevant subordinate legislation, as expressed in the Finance Committee of the Fifth Senedd’s Legacy Report, has been a key issue in a number of the Committee’s reports on the financial implications of Bills so far in the Sixth Senedd, reflecting the relatively high number of framework bills introduced.

This includes consideration of whether provisions relating to subordinate legislation are sufficiently described in the RIA upon the Bill’s introduction, and whether sufficient details in terms of the cost estimates associated with subordinate legislation have been provided, especially when the main policy objectives of a Bill are delivered by means of regulations or orders made by Ministers at a later date.

The [Welsh Government’s Legislation Handbook on Senedd Bills](#) states that:

"The RIA should set out a best estimate of the cost of the legislation as a whole and this includes any associated subordinate legislation. Even where the precise detail of subordinate legislation has not been finalised, a best estimate of the likely costs and benefits is required to enable the Senedd to fully scrutinise the legislation..."

However, the use of framework Bills makes it difficult to assess the total cost of a Bill and understand the implications of the change being enabled. As a result, the Committee has made a number of conclusions and recommendations aimed at ensuring further clarity on what these costs are and how they have been assessed.¹ We ask the Business Committee to note our concerns in this regard as it points to a worrying trend that has the potential to make the task of scrutinising the financial implications of Bills more difficult.

We are grateful for the opportunity to comment on these issues and hope our submission is helpful in informing your review.

Yours sincerely,



Peredur Owen Griffiths MS
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

¹ For example, see the Committee's reports on the financial implications of: the [Welsh Language and Education \(Wales\) Bill](#); the [Local Government Finance \(Wales\) Bill](#); the [Elections and Elected Bodies \(Wales\) Bill](#); the [Environment \(Air Quality and Soundscapes\) \(Wales\) Bill](#); the [Food \(Wales\) Bill](#); and the [Agriculture \(Wales\) Bill](#).