

**National Assembly for Wales**  
Finance Committee

# Best Practice Budget Processes Inquiry

July 2014



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

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## Finance Committee

The Committee was established on 22 June 2011. The Finance Committee's role is to carry out the functions set out in Standing Order 19. This includes consideration of the use of resources by the Assembly Commission or Welsh Ministers, and in particular reporting during the annual budget round. The Committee may also consider any other matter relating to expenditure from the Welsh Consolidated Fund.

Their remit also includes specific statutory powers under the Public Audit Act 2013 relating to new responsibilities for governance oversight of the Wales Audit Office.

## Current Committee membership



**Jocelyn Davies (Chair)**  
Plaid Cymru  
South Wales East



**Peter Black**  
Welsh Liberal Democrats  
South Wales West



**Christine Chapman**  
Welsh Labour  
Cynon Valley



**Paul Davies**  
Welsh Conservatives  
Preseli Pembrokeshire



**Mike Hedges**  
Welsh Labour  
Swansea East



**Alun Ffred Jones**  
Plaid Cymru  
Arfon



**Ann Jones**  
Welsh Labour  
Vale of Clwyd



**Julie Morgan**  
Welsh Labour  
Cardiff North

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## Chair's foreword

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This inquiry has been of great interest to the Committee. It is clear that the Wales Bill will result in significant changes to the financial procedures of the National Assembly and this inquiry has been very useful in terms of gathering best practice in this area.

We are conducting this inquiry in two parts and part 1 has focused on high level strategic best practice procedures. To inform this we have looked at international best practice and guidance.

The Wales Bill will give the Assembly competence to legislate for our own budgetary procedures. Whilst the specific details of the budgetary procedure will be considered in part 2 of this inquiry we are keen to ensure a change from the current situation whereby the only meaningful control exercised by the Assembly in respect of the Welsh Government is setting the total resource allocation.

Whilst annual controls on budgets are an important mechanism for managing public finances we also recognise the limitations associated with an annual budget cycle. We would like to consider further whether longer term financial planning can be incorporated into the Assembly's statutory process for authorising resources.

An important area that we looked at related to the relationship between us, as the Assembly and the Finance Committee, and the Government. During evidence the Finance Minister has expressed her commitment to working closely with the Committee to ensure the procedures which are developed are the most appropriate for Wales. We welcome this commitment and we look forward to working together.

Finally, I would like to thank everyone who has contributed to this inquiry; your input has been incredibly valuable to developing the future financial procedures for Wales.

I look forward to continuing this work during Part 2 of this inquiry.



## The Committee's Conclusions

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**Conclusion 1.** The Committee firmly believe that, where appropriate, the new budget process should adhere to the ten “Principles of Budgetary Governance” published by the OECD and comply with the current draft OECD Principles of Budgetary Governance once they are ratified. (Page 16)

**Conclusion 2.** The Committee would, as part of the next phase of this inquiry, like to work with the Welsh Government to see how its current system of Public Finance Management could be enhanced to provide a whole systems approach in the light of the forthcoming taxation and borrowing powers. (Page 16)

**Conclusion 3.** Part 2 of the Committee’s inquiry, will look in detail at how a revised budget process will work. In this regard, the Committee welcomes the Minister’s promised co-operation with the aim of devising arrangements that are holistic, match best practice, are suitable for Wales and are acceptable to the Welsh Government as well as to the Assembly as a whole. (Page 20)

**Conclusion 4.** The Committee supports an approach that would replace the current arrangement of simple allocations to Ministerial portfolios with a more detailed table that authorises resources to specific outputs that in turn are seen as “stepping stones” towards the achievement of desired outcomes in the longer-term. Further information on desired outcomes should also be supplied alongside the budget information to ensure that longer-term government aims are not ignored. (Page 23)

**Conclusion 5.** Whilst understanding the limitations of an annual budget cycle the Committee firmly believes the annual budget process must link multi-year strategic plans and longer term financial forecasts more clearly. (Page 26)

**Conclusion 6.** The Committee would like to explore further whether it would be possible or desirable to incorporate longer term financial planning into the Assembly’s statutory process for authorising resources. (Page 26)

**Conclusion 7.** The Committee considers that the time allowed for budget scrutiny should meet at least the minimum prescribed by the

OECD. Part two of Committee inquiry will consider the detailed budget process and its timing, to ensure that proposals include adequate time for scrutiny, debate and public engagement. (Page 26)

**Conclusion 8.** The Committee intends to continue working with the Welsh Government to develop budget procedures, to include any relevant legislation and to establish and provide a budget process that is appropriate for Wales and fit for the future. (Page 28)

**Conclusion 9.** The Committee recommends, in principle that taxation changes as well as expenditure should be authorised within a single Budget Act but would like to consider the practicality and implications of this with the Welsh Government in the second part of its inquiry. (Page 32)

**Conclusion 10.** The Committee views that future budgets should clearly link capital expenditure with the method of financing whether it is by borrowing or some other financial instrument such as a PFI scheme – especially as the Assembly will have no option but to agree to the resulting financial commitments for many years ahead. The Assembly should effectively approve not only the capital expenditure proposals but also how they are financed. (Page 32)

**Conclusion 11.** The Committee considers that as part of the budget scrutiny process, it should be provided with up to date information on outstanding financial commitments rather than having to wait for the publication of the annual accounts. (Page 32)

**Conclusion 12.** The Committee notes that short-term borrowing will be needed from time to time e.g. to manage shortfall in expected taxation revenue. Such treasury management arrangements will also need to be overseen by the Assembly and the Committee would like to consider this further with the Welsh Government during part 2 of this inquiry. (Page 32)

**Conclusion 13.** The Committee recommends that an ‘alignment exercise’ should be carried out, similar to the one at Westminster, to ensure that Welsh Government accounts uses the same boundary for the budget presented to the Assembly as that used by the Treasury for control of public expenditure. It would also be necessary for the Welsh Government to prepare its accounts on the same basis. This would also be a useful first step towards the production of a whole of government of Wales account. (Page 34)

**Conclusion 14.** The Committee will look further at the capacity issues of the Assembly and the Welsh Government during the second part of the inquiry. However, the Committee recommends that both the Assembly Commission and the Welsh Government commence work to look at the capacity available to undertake work in relation to the devolution of further fiscal powers to Wales. (Page 38)

**Conclusion 15.** During part two of the inquiry the Committee will be undertaking work to look at forecasting financial information in Wales and the relative role of the OBR in this process. (Page 38)

# 1. Introduction and Terms of Reference

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## Introduction

1. The Commission on Devolution in Wales ('Silk Commission') produced its Part 1 report<sup>1</sup> in November 2012. The report recognised that the devolution of tax and borrowing powers would require changes to existing financial management and scrutiny arrangements. In particular, Chapter 8 discussed the implementation of the new powers, with recommendations 29 to 33 focussing on the need for new fiscal and budget processes.

2. The Draft Wales Bill<sup>2</sup> was published by the UK Government on 18 December 2013, and it incorporated the majority of the recommendations made in the Silk report. The Draft Bill included the following provisions for future administration arrangements of the new devolved powers:

- HM Treasury would be responsible for varying the borrowing limit;
- HM Revenues and Custom would continue to collect income tax from Welsh taxpayers including the Welsh Rate of Income Tax that would be set by the Assembly if it is introduced following a referendum; and
- The National Assembly for Wales ('the Assembly') would be able to legislate on the administration and collection of devolved taxes - initially these would be taxes that would replace landfill duty and stamp duty land tax.

3. However, the text of the draft Bill was silent on most other practical details. In particular, it did not implement recommendation 32 of the Silk Commission report that the Assembly should have legislative control over its budget and scrutiny procedures. This issue was raised by both the Presiding Officer and the Chair of the Finance Committee during evidence to the Welsh Affairs Committee.<sup>3</sup>

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<sup>1</sup> [Silk Commission Part 1 report](#) [Accessed 1 July 2014]

<sup>2</sup> [Draft Wales Bill](#) [Accessed 1 July 2014]

<sup>3</sup> [Welsh Affairs Committee](#) [Accessed 1 July 2014]

4. The Welsh Affairs Committee pre-legislative scrutiny report on the Draft Wales Bill<sup>4</sup> made various recommendations on tax and borrowing. In particular, it recommended that the Assembly should be given legislative control over its budget procedures.

5. In response to the reports, the UK Government published a Command Paper<sup>5</sup> at the same time as the Wales Bill was formally introduced in the House of Commons which detailed some of the administrative arrangements but did not cover how the taxes should be implemented. However, the Bill, as introduced, does include a provision that will enable the Assembly to legislate for its budget setting procedures.

6. Following the introduction of the Wales Bill, the Committee recognises that there are various important questions which remain outstanding which could impact on new budget processes:

- Whether the UK Government intends to make a formal response to the recommendations by the Holtham Commission,<sup>6</sup> including fair funding.
- Will provision for the setting of a Welsh Rate of Income Tax, including the calling of the required referendum, ever be utilised given the statements by the First Minister and others about their usefulness given the limitations of the 'lockstep'.
- Will the Barnett formula be revised, and how could the result of the Scottish independence referendum impact on funding arrangements for Wales.

### **Terms of Reference**

7. The Committee decided to consider the inquiry in two parts. It was agreed to consider:

#### ***Part 1*** – Budgetary best practice and its applicability to Wales

- International best practice for financial accountability and budget processes, particularly in devolved administrations

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<sup>4</sup> Welsh Affairs Committee Pre-Legislative Scrutiny of the draft Wales Bill, 28 February 2014

<sup>5</sup> Wales Bill: Financial Empowerment and Accountability, Cm 8838

<sup>6</sup> <http://wales.gov.uk/funding/financereform/report/?lang=en> [accessed 3 July 2014]

- Opportunities for the budget processes to incorporate new concepts - such as preventative spending, less restrictive annual budgeting, and programme/outcome-based budgets.
- **International best practice** – What are the principles of fiscal accountability? How do other countries achieve devolved financial accountability while retaining central fiscal control?
- **Are the devolved powers tailored to the Welsh devolution settlement** – as the powers in the Wales Bill are based on those in the Scotland Act, does this create unforeseen problems in Wales?
- **Linking budgets to outcomes.** What new budget procedures are needed to improve the links between policies, spending programmes and outcomes? How would outcomes generated by the UK Government and the global economy be identified separately from those generated by local Welsh Government policies?

**Part 2** – Planning and implementing new budget procedures

- **Financial control** –outlining the budgetary mechanisms which will control the new tax and borrowing powers, and how these impact on the Welsh block and the Welsh economy. In particular, how the Holtham Commission recommendations will be met.
- The implementation of new budget procedures to reflect the additional powers.
- **Tax and borrowing issues** identified in the Holtham Report; e.g. the impact on the block grant and the ‘indexed method’ for adjustments; the basis of the devolved taxes; the lack of a needs based floor; no clear resolution of ‘convergence’ issues; what is the tax yield and what borrowing could be made against this income; what would be the basis of any new taxes and will they be governed by principles or rules?
- **Managing budgetary risk** - what additional budgetary risks are introduced by the new powers and how will these be monitored and managed (e.g. how are shortfalls in revenue managed)?
- **How can the new budget processes be made transparent and understandable** to all stakeholders, and how can stakeholders engage and participate in the budget process.

- **UK budget planning** - how does the Assembly work with Welsh Government, UK government and other public bodies under the new arrangements; how should the budget process be timetabled to meet Welsh and UK Government requirements (e.g. UK spending reviews)
- **Implementation** - how does the Assembly formally implement the devolution of the financial powers; how does the Assembly scrutinise, approve and monitor the Welsh Government's annual tax, borrowing and expenditure requirements; how does Welsh Government seek approval for new tax and borrowing powers from HM Treasury, and what role should the Assembly have in agreeing such changes.

## 2. International Best Practice

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### Evidence

8. Much of the evidence in relation to international best practice referred to the principles of the 'OECD Best Practices for Budget Transparency', which are "long-established as an international point of reference for good budgeting".<sup>7</sup> Whilst giving evidence to the Committee, the Organisation for Economic Co-operation and Development ('OECD') also talked about the draft set of 10 (inter-related) high-level Principles of Budgetary Governance.

9. The principles are:

1. Fiscal policy should be managed within clear, credible and predictable limits.
2. Top-down budgetary management should be applied to align policies with resources.
3. Budgets should be closely aligned with government-wide strategic priorities.
4. Budgets should be forward-looking, giving a clear medium-term outlook.
5. Budget documents and data should be open, transparent and accessible.
6. The budget process should be inclusive, participative and realistic.
7. Budgets should present a true, full and fair picture of the public finances.
8. Performance, evaluation and value for money should be integral to the budget process.
9. Longer-term sustainability and other fiscal risks should be identified, assessed and managed prudently.
10. The integrity and quality of budgetary forecasts, fiscal plans.

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<sup>7</sup> Written evidence, Finance Committee, BPBP08

10. In their evidence CIPFA fully supported the OECD's guidance on Best Practices for Budget Transparency and Draft Principles of Budgetary Governance.<sup>8</sup>

11. The Office of the Parliamentary Budget Officer Canada also commended the OECD guidance, which:

“enumerate the types, content, and objectives of financial documents that should be prepared over a jurisdiction's planning cycle. Importantly, the OECD's principles offer some flexibility to allow jurisdictions to tailor their planning and reporting cycle to their idiosyncratic needs.”<sup>9</sup>

12. CIPFA also suggested the Committee should consider the roles and powers of other legislatures, and use this evidence base to inform the development of a Welsh budget process. They also suggested that the Committee could ‘benchmark’ any proposals for a Welsh budget process, to assess how they would compare with other international processes.<sup>10</sup>

13. In evidence from Dr Wehner<sup>11</sup> and CIPFA<sup>12</sup> the budgetary procedures used by South Africa and New Zealand were commended as being examples of good practice.

14. CIPFA referred to the wider concept of Public Financial Management (‘PFM’). They noted that although the inquiry is focused on best practice for the budget process, this should be considered in the context of the whole system of PFM within which it will operate, rather than in isolation. CIPFA defines PFM in relation to its contribution to achieving strategic and operational objectives as a key aspect of good governance, placing relevance and effectiveness at the heart of the PFM objectives:

“PFM is the system by which financial resources are planned, directed and controlled to enable and influence the efficient and effective delivery of public service goals.”<sup>13</sup>

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<sup>8</sup> Written evidence, Finance Committee, BPBP03

<sup>9</sup> Written evidence, Finance Committee, BPBP02

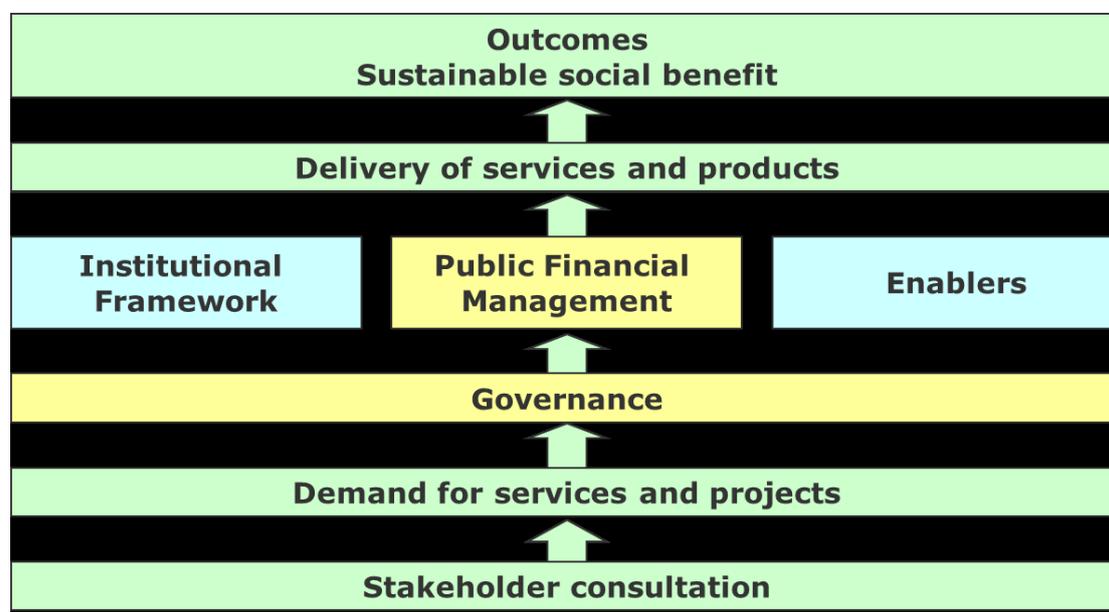
<sup>10</sup> Written evidence, Finance Committee, BPBP03

<sup>11</sup> Written evidence, Finance Committee, BPBP06

<sup>12</sup> Written evidence, Fin (4)-14-14 (ptn 2), 16 July 2014

<sup>13</sup> Written evidence, Finance Committee, BPBP03

15. CIPFA go on to outline that the ‘whole system approach’ to the design and improvement of PFM is based on the argument that PFM will be more effective and sustainable if balanced across the full range of PFM processes. The model can be used to examine, formulate and improve PFM design.<sup>14</sup>



16. The Minister For Finance (‘the Minister’) agreed that looking towards international best practice is helpful:

“I feel that there is a lot to be learnt from international advice, guidance and expertise.”<sup>15</sup>

17. In relation to the OECD principles the Minister said:

“I have been looking at the Organisation for Economic Co-operation and Development principles on budgeting, which I think are really important in terms of the purpose of the budget and where we go. Some of the discussions that we have been having are about being more outcome-focused and more strategic and whether there are opportunities for us to try to have a longer term view and approach.”<sup>16</sup>

<sup>14</sup> Written evidence, Finance Committee, BPBP03

<sup>15</sup> Finance Committee, ROP, 14 May 2014, paragraph 148

<sup>16</sup> Finance Committee, ROP, 14 May 2014, paragraph 136

### *Committee View*

18. The Committee notes the evidence from many parties commending the OECD principles.

**The Committee firmly believe that, where appropriate, the new budget process should adhere to the ten “Principles of Budgetary Governance” published by the OECD and comply with the current draft OECD Principles of Budgetary Governance once they are ratified.**

19. The Committee also notes the adoption of OECD’s Principles would include the use of PFM to better link the use of resources to the programme for government, the delivery of public services and the achievement of desired outcomes.

**The Committee would, as part of the next phase of this inquiry, like to work with the Welsh Government to see how its current system of Public Finance Management could be enhanced to provide a whole systems approach in the light of the forthcoming taxation and borrowing powers.**

### 3. Budget processes

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#### Budget procedure

20. The Wales Bill will give the Assembly competence to legislate for the budgetary procedures.

21. The Office of the Parliamentary Budget Officer Canada summarised

“The cornerstone of fiscal accountability in a decentralized federation is transparency. This transparency is achieved by ensuring that the fiscal planning documents are sufficiently robust to allow parliamentarians and the public to understand the broad fiscal strategy and goals of the government (over the short and medium-term), as well as a credible public accounts that identify the fiscal outcomes and explanations of any deviations of actual versus planned spending.”<sup>17</sup>

22. During the evidence session it was noted that current budgetary procedures are to a great extent based on the UK budgetary procedures, which are seen as far from perfect. Dr Wehner said:

“...looking at Westminster, the entire process is almost designed to sabotage parliamentary scrutiny. I am putting it a bit provocatively, but that is certainly my view. There is a Standing Order that dates back to the eighteenth century that essentially says that Parliament can only reduce existing items in the budget, that it cannot introduce new ones or increase lines in the budget. So, the powers are very constrained.”<sup>18</sup>

23. He continued to refer to the Welsh budgetary procedures, as being more influential than at Westminster, due to the differences in timing which is:

“well ahead of the start of the fiscal year, and you have more authority to actually suggest changes to the budget, as long as they do not increase total expenditure. So, all of these are

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<sup>17</sup> Written evidence, Finance Committee, BPBP02

<sup>18</sup> Finance Committee, ROP, 14 May 2014, paragraph 191

elements where you have made changes that make you quite different from the Westminster setting.”<sup>19</sup>

24. Dr Wehner said that one issue with the Welsh budgetary procedures is that “you have a single line for big departments with many billions of pounds being authorised in a single line, so there is almost unlimited Executive flexibility.”<sup>20</sup> However, he did note that the differences in the budget processes in Wales gives “more potential to actually influence the budget”.<sup>21</sup>

25. The requirement to balance the need for more enhanced budget information, with ‘information overload’ was referred to by the OECD who said:

“If there is an information overload, it is, of course, going to be counterproductive, so there needs to be a focused approach to identifying the key objectives of what each area of spending is supposed to achieve, perhaps linking that into the medium-term objective and the strategic priorities that the Government has already articulated, so that you can track and monitor progress towards the achievement of those objectives.

“I think that the Assembly has a responsibility also not just to ask for information but to think about and ask for the specific types of information that it finds most useful.”<sup>22</sup>

26. The Office of the Parliamentary Budget Officer, Canada, also commented on focusing on the most useful information to inform scrutiny:

“The Canadian federal government previously published an annual study that linked federal program interventions to broader economic and social outcomes. However, this report was discontinued in 2011, due (in part) to a perception that the report was not useful for parliamentary deliberations or budgetary decision-making.”<sup>23</sup>

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<sup>19</sup> Finance Committee, ROP, 14 May 2014, paragraph 193

<sup>20</sup> Finance Committee, ROP, 14 May 2014, paragraph 191

<sup>21</sup> Finance Committee, ROP, 14 May 2014, paragraph 193

<sup>22</sup> Finance Committee, ROP, 4 June 2014, paragraph 44-45

<sup>23</sup> Written evidence, Finance Committee, BPBP02

27. Dr Wehner highlighted in his written evidence to the Committee that international experience in terms of performance budgeting was mixed:

“More broadly, the history of performance budgeting provides valuable lessons for governments that are currently contemplating such reforms. The experience of several OECD countries suggests that the budget process easily becomes over-burdened when it is the primary focus for assessing performance (US General Accounting Office 1997, Schick 2003). The integration of a large number of performance measures into budget documents can obfuscate rather than elucidate. In several countries, governments are now reducing the amount of performance information in the budget so as to declutter the documents and to refocus on financial analysis. In the Netherlands, the recent undoing of an outcome-focused budget reform in the 2000s followed increasing legislative demands for more meaningful fiscal information.”<sup>24</sup>

28. In relation to revised budget procedures after legislative competence has been devolved the Minister said:

“We have to ensure that we can deliver that in an innovative and progressive way. I think that that goes back to the fact that I believe that we work closely and constructively together in terms of Government and the Assembly, and particularly the Finance Committee, to make sure that we make this—. The settlement is for Wales. It is important that we learn from others, but we should also progress with your scrutiny and advice.”<sup>25</sup>

### ***Committee view***

29. The Committee notes that, currently, an Assembly budget motion authorises the allocation of funding for the Welsh Government, Assembly Commission, Wales Audit Office and Public Services Ombudsman. For the Welsh Government, the amounts authorised are allocated to Ministerial portfolios with a separate allocation for the cost of the civil service. In addition the budget motion permits the Welsh Government to overspend on one or more of its allocations

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<sup>24</sup> Written evidence, Finance Committee, BPBP06

<sup>25</sup> Finance Committee, ROP, 14 May 2014, paragraph 146

provided that there are compensating savings on the others. So, in reality, the only meaningful control exercised by the Assembly in respect of the Welsh Government is the total resource allocation.

30. The Committee further notes the present arrangements for scrutiny and authorisation of the budget by the Assembly derive from Part 5 of the 2006 Act and Standing Order 20. These arrangements, which culminate in the passing of the annual Budget motion (or a supplementary budget motion), were primarily designed to authorise the allocation of the total managed expenditure (“TME”) approved by the Treasury for the Welsh block and to authorise the issue of cash from the Welsh Consolidated Fund. They are unlikely to be fit for purpose given the forthcoming taxation and borrowing powers and the desire to better link the use of resources to the programme for government.

**Part 2 of the Committee’s inquiry, will look in detail at how a revised budget process will work. In this regard, the Committee welcomes the Minister’s promised co-operation with the aim of devising arrangements that are holistic, match best practice, are suitable for Wales and are acceptable to the Welsh Government as well as to the Assembly as a whole.**

#### **Outcomes or outputs?**

31. The arguments around budget planning led to discussions regarding longer term budget planning leading to a focus on outputs and outcomes. The OECD said:

“...what countries around the OECD have been attempting to do over recent years, and over many years in some cases, is to make sure that the budget documentation includes not just a perspective on the financial allocations, but also a perspective upon what is supposed to be achieved with these financial allocations, namely the outputs, the outcomes and the impacts—in other words, the performance information that will inform the expenditure allocations and so on.”<sup>26</sup>

32. The Office of the Parliamentary Budget Officer, Canada referred to the OECD guidance regarding performance budgeting stating it:

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<sup>26</sup> Finance Committee, ROP, 4 June 2014, paragraph 41

“provides a well-articulated framework for linking program spending to outcomes. This includes the incorporation of performance data into the fiscal planning documents, as well as the processes by which they are considered by parliament and presented to the public.”<sup>27</sup>

33. CIPFA said the Committee should explore the potential for a more outcomes-based approach to budgeting and financial management, in the context of a whole systems approach. This should aim to provide a consistent public financial management system integrating funding allocation, service delivery mechanisms and outcomes to support the achievement of best value for taxpayer funds, financial sustainability, and an embedded outcomes focus in budgeting, monitoring and accountability.<sup>28</sup>

34. Dr Wehner was asked whether Governments should be more focused on **outcomes** (i.e. broader, longer term themes) so they have clear ideas about what they are trying to achieve. Dr Wehner agreed but noted that in terms of the budget process, the Committee should be concentrating on **outputs** (i.e. shorter-term indicators) that are specific to the budget, because they are more measurable:

“They [*outputs*] are certainly more attributable and their time horizon is much more aligned with the nature of the annual budget process than the achievement of outcomes will ever be.”<sup>29</sup>

35. Dr Wehner suggested outcome focused budgeting has its drawbacks as they allow ‘loopholes’:

“If things are going well and crime is going down, you might claim that there is a connection between the programmes that you have implemented and the crime reduction. When things are going badly, you will end up blaming some exogenous factors, maybe immigration, the weather, or, I do not know, the economy, or something that went wrong in the United States and affected unemployment—factors that are completely out of your control. Those are things that are much harder to do when the question is, ‘We gave you this money, what did you produce

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<sup>27</sup> Written evidence, Finance Committee, BPBP02

<sup>28</sup> Written evidence, Finance Committee, BPBP03

<sup>29</sup> Finance Committee, ROP, 14 May 2014, paragraph 271

with it and why did you produce less than last year? Why did you spend it on this and not on this other programme?’ I think that, in the context of budgeting, these are much more relevant questions and questions that give you more accountability.”<sup>30</sup>

36. In relation to outcome based budgets the Minister said:

“Some of the discussions that we have been having are about being more outcome-focused and more strategic and whether there are opportunities for us to try to have a longer term view and approach. It is interesting now, because we have moved to the three-year financial planning process for health. Across public services, it is with our partners as well that we need to have a more strategic approach. I hope that your committee’s review of this will help us.”<sup>31</sup>

### ***Committee view***

37. The Committee accepts Dr Wehner’s view that the direct linking of budget allocations to desired outcomes would be fraught with difficulty. In particular, outcomes are generally for the longer term and not easily matched to annual budgets. Also, allocating resources to outcomes could make the allocation table unwieldy and outcomes may be achieved or not achieved for reasons unrelated to the budget and beyond the control of the Welsh Government. For this reason, the Committee agrees that a better approach would be to allocate resources to targeted outputs. The evidence given to the Committee suggested that the New Zealand approach works well in this regard although it would clearly need to be adapted and simplified for use in the Welsh context.

38. However, the Committee considers that outcomes are critical to any programme for government and the budget must be considered in the context of what the Welsh Government wishes to achieve in the longer-term. Therefore it would still be necessary to provide appropriate information on desired outcomes alongside the budget.

39. In line with the OECD principles, policies and resources should be better aligned. The Committee considers that the current arrangements whereby the Assembly simply authorises the allocation

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<sup>30</sup> Finance Committee, ROP, 14 May 2014, paragraph 273

<sup>31</sup> Finance Committee, ROP, 14 May 2014, paragraph 136

to Ministerial portfolios (with an override that permits overspending on one or more portfolios if there are compensating savings on the remainder) should be replaced with a more detailed table that authorises resources to specific outputs.

40. The Committee recognise that changes to the information provided as well as the inclusion of information on taxation and borrowing would result in more detail being included in support of future budgets. The Committee is sympathetic to the burden this will place on the Welsh Government officials that prepare the detailed budget information. The Committee hope there is scope for this to be mitigated if, in future, resource requests are better linked to programmes or outputs.

41. If, as a consequence of linking resources to outputs, future budgets were designed to authorise expenditure at lower more detailed levels than at present, the Committee recognises it would be necessary to devise arrangements that would allow the Welsh Ministers to authorise in-year changes within prescribed limits rather than having to seek Assembly authorisation for such detailed changes.

**The Committee supports an approach that would replace the current arrangement of simple allocations to Ministerial portfolios with a more detailed table that authorises resources to specific outputs that in turn are seen as “stepping stones” towards the achievement of desired outcomes in the longer-term. Further information on desired outcomes should also be supplied alongside the budget information to ensure that longer-term government aims are not ignored.**

### **Budget cycle**

42. Evidence was heard that the planning of the budget cycle was paramount to ensuring effective budget scrutiny. CIPFA said the timing of the budget cycle should become less reliant on UK Spending Reviews and should be based on a sound timetable which is prepared to be adapted by exception if necessary.<sup>32</sup>

43. CIPFA reiterated that the budget as an annual plan, should be developed in the context of a longer-term financial strategy,

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<sup>32</sup> Written evidence, Finance Committee, BPBP03

supporting the strategic objectives of government and should integrate capital, revenue and treasury management planning.<sup>33</sup>

44. The OECD agreed that aligning budget priorities with strategic priorities is important but also a challenge in terms of “making a match or bridge between the strategic priorities of government, which, typically, are over a medium term or perhaps a parliamentary horizon, and matching this with the budget, which is typically an annual affair on a strict annual cycle”.<sup>34</sup>

45. Taking account of the limitations with the annual budget cycle, looking towards longer term budget planning Dr Wehner raised issues with long term planning, he said:

“The long term can be played as well, because you can make something look good in the long run even if, in the short run, it is not looking so good. So, you can also play with the time period over which you describe the financial impact of something you are doing ... It is very easy to show that something is going to be quite good in 10 years’ time, but a lot of how you construct your estimates hinges on so many assumptions that the further you go into the future, the more uncertain you are and the more assumptions you have to make about how the world is going to impact on what you are doing.

“So, I think this information is very valuable, but I do not necessarily think that a shorter, compact focus is a bad thing. It is good to make these long-term costs visible so that they become part of policy debates, but the window of certainty in budgeting is much more narrow—it is the annual budget—and even there you have lots of uncertainties. You have annually managed expenditure, which is often hard to predict. So, extending it too far is not necessarily the best thing to do, and I think that there are political limits to it as well.”<sup>35</sup>

46. In support of longer term budget planning the OECD said:

“it is normal for countries ... to organise their budgets within a medium-term timeframe, a medium-term horizon, in the order of three to five years. That provides the appropriate type of

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<sup>33</sup> Written evidence, Finance Committee, BPBP03

<sup>34</sup> Finance Committee, ROP, 4 June 2014, paragraph 40

<sup>35</sup> Finance Committee, ROP, 14 May 2014, paragraph 215

context within which you can have a sense of how the budget is going to evolve and how the budgetary aggregates are going to evolve and how fiscal policy is going to respect fiscal rules or fiscal constraints that may be in place.”<sup>36</sup>

47. In relation to the restrictions of the annual budget cycle the Minister noted:

“We are constrained by the annual budgeting process—there is no question about it—but we are looking, like in health, local government and education, to three-year planning. We also work, as a Government, to our programme for government in terms of a more strategic approach to budgeting. However, we are very constrained, and this does have an impact. If we think about our block grant, and the fact that we have a spending review round, then we will know that, obviously, that gives us a clear indication for longer-term planning. However, cuts, changes, additions and reductions come all the way through that spending review period.”<sup>37</sup>

48. In relation to budget planning the Minister continued:

“One of the issues that we have, of course, is that our partners, particularly in local government, Welsh Government-sponsored bodies and the health service need to know where we are. They are very dependent on the way that we deliver in terms of our budgetary procedures—at the moment on an annual basis. The legislature should be able to—and does, I believe—have a huge impact on the way that it progresses its budgetary process. So, I hope that we can do something unique and different in Wales that, perhaps, will be more strategic and long term. One has to take into account, of course, other issues like the fact that we are a minority Government. That is a very important factor. Also, as I said, we are constantly facing uncertainties about the state of our budget from the UK Government.”<sup>38</sup>

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<sup>36</sup> Finance Committee, ROP, 4 June 2014, paragraph 21

<sup>37</sup> Finance Committee, ROP, 14 May 2014, paragraph 148

<sup>38</sup> Finance Committee, ROP, 14 May 2014, paragraph 151

### ***Committee view***

49. The Committee notes the limitations associated with the annual budget cycle but acknowledges that annual controls on budgets will remain an important mechanism for managing public finances.

**Whilst understanding the limitations of an annual budget cycle the Committee firmly believes the annual budget process must link multi-year strategic plans and longer term financial forecasts more clearly.**

50. The Committee notes that the Annual Appropriation Act passed by the New Zealand Parliament includes certain “multi-year appropriations”. In addition the Committee notes that the Minister is looking to longer three-year planning periods for certain areas such as health, local government and education.

**The Committee would like to explore further whether it would be possible or desirable to incorporate longer term financial planning into the Assembly’s statutory process for authorising resources.**

**The Committee considers that the time allowed for budget scrutiny should meet at least the minimum prescribed by the OECD. Part two of Committee inquiry will consider the detailed budget process and its timing, to ensure that proposals include adequate time for scrutiny, debate and public engagement.**

### **Relationship between the Legislature and the Executive**

51. The OECD referred to *Norton’s taxonomy of legislatures*, which looks at:

- Budget-making legislatures;
- Budget-influencing legislatures;
- Budget-approving legislatures.

52. The OECD said that the recommended position is to be a budget influencing country which engineers “institutions to force legislatures

to fix prudential aggregates and then to focus on the debate on allocative choices within those hard budget constraints”.<sup>39</sup>

53. The OECD outlines that the role of a legislature could be more proactive in relation to budgeting which would allow for greater freedom for parliamentary engagement, control and influence over the detail of budget allocations.

54. The level of control exercised by a legislature was also raised by Dr Wehner who noted the need for there to be a balance in power between the legislature and the executive, he said:

“In some places, there is a very strong preference for legislative control ... powerful legislatures are very often also associated with quite poor budget outcomes—so, spending that has deficits that might be higher than they otherwise would be.”<sup>40</sup>

55. Referring specifically to the relationship between the Assembly and the Government CIPFA suggested the Committee build on the:

“existing relationship with the Minister for Finance and her department to continue to improve the financial and performance information available for scrutiny to aid in transparency and accountability, and to help ensure that the Welsh budget process is informed by and adheres to all the pillars of good governance.”<sup>41</sup>

56. In relation to the relationship between the Government and the Assembly the Minister said:

“I believe that we work closely and constructively together in terms of Government and the Assembly, and particularly the Finance Committee.”<sup>42</sup>

### ***Committee view***

57. The Committee recognises the importance of a successful working relationship between the Assembly and the Welsh Government. The Committee is pleased that this relationship has been developing since the introduction of the budget protocol in 2012.

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<sup>39</sup> Finance Committee, ROP, 4 June 2014, paragraph 7

<sup>40</sup> Finance Committee, ROP, 14 May 2014, paragraph 199

<sup>41</sup> Written evidence, Finance Committee, BPBP03

<sup>42</sup> Finance Committee, ROP, 14 May 2014, paragraph 146

**The Committee intends to continue working with the Welsh Government to develop budget procedures, to include any relevant legislation and to establish and provide a budget process that is appropriate for Wales and fit for the future.**

## 4. The Welsh context

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### Implementing the devolved tax and borrowing powers

58. In a paper completed for the Institute of Welsh Affairs, and submitted to the Committee as evidence, Gerald Holtham advocates the collection of devolved taxes taking place at a local government level. In evidence to the Committee Gerald Holtham said:

“I was speaking only about the small taxes that are currently in the Wales Bill that do not require a referendum, which are the only taxes that we know we are going to get... Here, we have bodies in existence that are used to the administration of collecting taxes. The Welsh Government does not have any such body. So, it could create it, duplicate the capability that is already out there, but why bother? There are people in Wales who know about these things, are doing the job, and they can handle these extra taxes.”<sup>43</sup>

59. The OECD stated the budget process should allow for adequate scrutiny of how the Welsh Government proposes to raise and spend public money and that there were three elements of a budget which should require Assembly approval:

- Taxation;
- Spending;
- Borrowing.<sup>44</sup>

60. In relation to whether borrowing powers should be monitored and reported, and should they be part of the budget process Gerald Holtham said:

“Yes, I think so because they are the difference, if you like, between expenditure and receipts, so I think that they are intrinsically part of the budgetary process. Similarly, as Mr Hedges was saying, any PFI deals are part of the budgetary process as well because they will result in a flow of servicing costs over time, which you have to keep your eye on. In my

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<sup>43</sup> Finance Committee, ROP, 4 June 2014, paragraph 141

<sup>44</sup> Written evidence, Finance Committee, BPBP03

experience, the Welsh Government is quite cautious about this. It is not keen to incur debt servicing costs.”<sup>45</sup>

61. Dr Wehner was asked whether he would expect the Assembly’s role to include scrutinising and monitoring of annual borrowing requirements and overall Welsh debt, he said:

“Absolutely, yes. In scrutinising the annual budget, these are the core components. You need to understand what the debt is for and what the nature of the capital expenditure that is being financed in that way is, whether it makes sense to you, and whether these are wise investments. All of that should fall under the annual scrutiny, I think.”

62. Dr Wehner also noted that it is important for the Assembly to understand the exposure of the Government to wider financial risks,<sup>46</sup> such as debt levels by other public sector bodies.

63. The OECD agreed that in general terms it was important for the legislature to have “regard to these elements [*debt levels of public sector bodies*] of the broader public sector as part of the overall picture.

64. In relation to the collection of taxes the Minister said

“I think that we are at the early stage in terms of how taxes should be collected. We are looking very closely at how they progressed with this in Scotland. There are a number of approaches that could be taken forward. Indeed, there are different collectors of taxes, clearly, and different collection methods for each tax, which could be considered.”<sup>47</sup>

65. The Minister was questioned specifically on the announcement made in May 2014 of £1 billion-worth of capital projects and whether this impacted on the borrowing limitation of £500 million allowed for in the Wales Bill, and whether this would restrict the Government’s ability to borrow money in the future, the Minister said:

“As far as the £1 billion that I announced last week is concerned, clearly, £0.5 billion of that was made up of the non-

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<sup>45</sup> Finance Committee, ROP, 14 May 2014, paragraph 117

<sup>46</sup> Finance Committee, ROP, 14 May 2014, paragraph 211

<sup>47</sup> Finance Committee, ROP, 14 May 2014, paragraph 23

dividend investment route for the completion of the A465 and the development of a new cancer centre for Velindre NHS Trust. The £500 million—again, it was very important that I made that statement—is the opportunities that we have in terms of the borrowing powers that will come into effect when tax devolution begins. Of course, those new borrowing powers will come into operation at the same time in April 2018, when the switch-off of stamp duty and landfill tax takes place.

“So, those new borrowing powers will enable us to invest in any capital project that falls within our devolved responsibilities. I think that it is important to make it clear that there is no borrowing by the Welsh Government with the non-dividend route. We would not score, in terms of innovative finance, against the £500 million ceiling.”<sup>48</sup>

66. It was apparent that the Minister did not agree that borrowing by the Government should be authorised by the Assembly:

“...the crucial point for the Assembly is to approve our budget as a whole and to scrutinise how that is made up. It is the Government taking responsibility for risk in terms of debt. Transparency is important for you to be able to even start to raise the questions, obviously, in terms of the liabilities. However, we cannot spend money that is borrowed or otherwise without your approval.”

67. The Minister continued:

“... the Assembly will always have to approve our budget, the spend. In terms of the opportunities that you have to scrutinise borrowing, as well as how we are using our block grant and indeed our tax revenues, obviously, that is clear in the context of the budgetary process. So, I want that to be as rigorous as possible.”<sup>49</sup>

### ***Committee view***

68. It is clear that, with the advent of taxation and borrowing powers as set out in the Wales Bill, the current arrangements will no longer be fit for purpose as they were only designed to provide authority for

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<sup>48</sup> Finance Committee, ROP, 14 May 2014, paragraphs 156-157

<sup>49</sup> Finance Committee, ROP, 14 May 2014, paragraph 154

expenditure. The Silk Commission recommended that the Assembly devises a holistic process so that expenditure, borrowing and changes to taxation rates can be authorised together in an annual “Budget Act”. To facilitate this, this Wales Bill includes provision for the Assembly to modify the relevant sections of Part 5 of the 2006 Act

**The Committee recommends, in principle that taxation changes as well as expenditure should be authorised within a single Budget Act but would like to consider the practicality and implications of this with the Welsh Government in the second part of its inquiry.**

69. The Committee notes the Minister’s reservations about the Assembly authorising borrowing for capital expenditure as part of the budget process but would like to consider this further in Part 2 of its inquiry.

**The Committee views that future budgets should clearly link capital expenditure with the method of financing whether it is by borrowing or some other financial instrument such as a PFI scheme – especially as the Assembly will have no option but to agree to the resulting financial commitments for many years ahead. The Assembly should effectively approve not only the capital expenditure proposals but also how they are financed.**

**The Committee considers that as part of the budget scrutiny process, it should be provided with up to date information on outstanding financial commitments rather than having to wait for the publication of the annual accounts.**

**The Committee notes that short-term borrowing will be needed from time to time e.g. to manage shortfall in expected taxation revenue. Such treasury management arrangements will also need to be overseen by the Assembly and the Committee would like to consider this further with the Welsh Government during part 2 of this inquiry.**

### **National Accounts**

70. The idea of a Welsh National Balance Sheet (as part of a whole of government of Wales account) was welcomed by CIPFA, who said:

“I think that you would have to be clear about what you actually wanted to use it for. You would also have to be clear about the limitations of a balance sheet and what it can actually tell you. However, importantly, you would have to use it in association with a whole host of other elements of information, including forward sustainability of public services. However, it would be an important starting tool to enable you to get information as you move into a different devolved financial settlement.”<sup>50</sup>

71. When asked whether a Welsh balance sheet was a good idea, Gerald Holtham said:

“Yes, ... I do not know how the Treasury would take that, because it would set a rather ugly precedent for the rest of the UK. There are also questions about what you regard as liabilities that should go on the balance sheet. For example, with regard to public sector pension liabilities, and public sector pensions, there is no pension pot there unfunded for central Government, although there is for local authorities. So, in a sense, that is an unrecognised liability, as well as all the PFI stuff. Wales does not have that problem. So, we could do it. Maybe it would be a salutary thing to do for the rest.”<sup>51</sup>

72. In relation to the balance sheet showing overall borrowing and liabilities of Welsh Government funded bodies, Gerald Holtham felt this could be done, but expressed some caution that they should not be exaggerated.<sup>52</sup>

73. In relation to a Welsh balance sheet the Minister said:

“I think that it would be useful if we had a Welsh summary of balances. We would have to consider how much it would cost to produce a Welsh version. We can see what happens in terms of the Scottish commitment. There is quite a lot of data that does not exist in terms of what would be required for a full national account, so we would have to look at that in terms of costs and accessing those data. Also, you could think about whether we could perhaps produce a Welsh public sector balance sheet—

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<sup>50</sup> Finance Committee, ROP, 26 June 2014, paragraph 113

<sup>51</sup> Finance Committee, ROP, 4 June 2014, paragraph 129

<sup>52</sup> Finance Committee, ROP, 4 June 2014, paragraph 131

that is a different approach—in terms of building on a whole-of-Government accounts exercise.”<sup>53</sup>

### *Committee view*

74. The Committee notes the Minister’s concern about the production of a whole of government account for Wales particularly if it incorporated the financial results of local authorities but would like to discuss the advantages and potential barriers with the Welsh Government and the Wales Audit Office (who has also recommended that such an account be produced) as part of the next phase of this inquiry.

75. The Committee considers that a necessary prerequisite to a more enhanced budget process where proposed expenditure is better matched to programmes or outputs would be to align the budget to be authorised by the Assembly to the Treasury’s “budget boundary” for the Welsh block. The budget boundary includes the expenditure by NHS bodies and other sponsored bodies as well as the direct expenditure by the Welsh Government. Cash financing of those bodies by the Welsh Government is internal to the block so does not score against the budget directly. The current budget motion only authorises expenditure by the Welsh Government so effectively authorises such cash financing but does not directly authorise the resource and capital expenditure by the bodies concerned. This misalignment also necessitates a complex reconciliation attached to the budget motion which is not easy to understand; but a crucial factor is that alignment would ensure that the budget scrutiny is focussed on the planned capital and resource expenditure by the public bodies who would be accountable for delivery of the related outputs.

**The Committee recommends that an ‘alignment exercise’ should be carried out, similar to the one at Westminster, to ensure that Welsh Government accounts uses the same boundary for the budget presented to the Assembly as that used by the Treasury for control of public expenditure. It would also be necessary for the Welsh Government to prepare its accounts on the same basis. This would also be a useful first step towards the production of a whole of government of Wales account.**

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<sup>53</sup> Finance Committee, ROP, 14 May 2014, paragraph 159

## Provision of Economic data and capacity

76. Much of the evidence received referred to the lack of economic intelligence in Wales, which results in a challenge in collecting and provision of disaggregated Welsh Economic data.<sup>54</sup>

77. Cardiff Business School raised the issue of the lack of economic data in Wales and how this is required before tax and borrowing policies can be modelled.<sup>55</sup>

78. The role of the Office for Budget Responsibility to provide financial forecasting for Wales was raised in evidence,<sup>56</sup> whilst the Federation of Small Businesses Wales referred to exploring relationships with:

“UK wide bodies such as the Office for Budget Responsibility, Office for National Statistics and Her Majesty’s Revenue and Customs ... to provide a firm set of proposals for the creation of a strengthened Welsh Government Finance Department.”<sup>57</sup>

79. In relation to raising capacity, the OECD said:

“you might want to consider the capacity for the analytical staff that you have to look at the information being produced by the OBR to give you some of that additional and specific analysis on the situation in Wales and whether or not it makes sense to increase that capacity in your parliament.”<sup>58</sup>

80. In relation to managing budgetary risk and financial forecasting the Auditor General for Wales referred to the need to review the capacity of the Welsh Government to undertake economic modelling and forecasting.<sup>59</sup>

81. CIPFA referred to changes which would need to take place to ensure effective budget scrutiny, they suggested:

- Making wider use of independent expert advice during the budget process and encouraging the other committees of the Assembly to do so.

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<sup>54</sup> Written evidence, Finance Committee, BPBP09

<sup>55</sup> Written evidence, Finance Committee, BPBP09

<sup>56</sup> Written evidence, Finance Committee, BPBP04

<sup>57</sup> Written evidence, Finance Committee, BPBP05

<sup>58</sup> Finance Committee, ROP, 4 June 2014, paragraph 73

<sup>59</sup> Written evidence, Finance Committee, BPBP04

- Looking to the merits of establishing a dedicated financial scrutiny unit, perhaps within existing structures, such as the Scottish Parliament's Financial Scrutiny Unit.<sup>60</sup>

82. Gerald Holtham also raised the issue of capacity and said:

“There is not at the moment a policy tax unit within the finance department. They have set up a panel of advisers. The Minister for Finance has done that, but there is not at the moment a dedicated panel looking at tax policy...you would need people to be thinking about tax policy in the context of the economy and what incentives you wanted to create, and what things you wanted to do. That capability, currently, is not present

“... the Welsh finance department is certainly not as strong, politically, as the finance department is in any other Government that I have ever come across, and it is not as strong as it should be. To the extent that you are now mobilising new sources of funds, that should strengthen its ability to co-ordinate activities across the Government. I think that that would be a very good thing.”<sup>61</sup>

83. In addition to the capacity issues at the Government, the issue of capacity in the Assembly was also raised. Gerald Holtham noted that the Assembly has to try to keep up [*with the changes taking place*].<sup>62</sup>

84. More general issues were raised regarding the capacity of a legislature in relation to fiscal scrutiny, the OECD said:

“By far the most important trend we are seeing in OECD countries is a marked increase in the analytical capacity for legislatures. For many legislatures resources traditionally were limited to committee staff (which often performed more clerical type tasks) and library and research services staffed by generalists covering many areas rather than budget specialists. Today we are seeing more and more budget specialist units established within parliaments such as the UK Scrutiny Unit,

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<sup>60</sup> Written evidence, Finance Committee, BPBP03

<sup>61</sup> Finance Committee, ROP, 4 June 2014, paragraphs 157-160

<sup>62</sup> Finance Committee, ROP, 4 June 2014, paragraph 164

Israel Budgetary Control Unit, and the Polish parliament's Department of Social and Economic Research."<sup>63</sup>

85. The OECD continued:

"There has also been growth in the number of independent parliamentary budget offices (e.g. United States, Mexico, Korea, Australia and Canada. The province of Ontario has also established a Financial Accountability Office). These have highly specialised staff and typically are given special access to government information necessary to carry out their mandates. Other countries have chosen a fiscal council model. Both models can provide critical independent analysis by undertaking real time surveillance of public finances and fiscal policy, thus promoting quality and integrity in budgeting. The National Assembly for Wales will have the benefit of access to independent forecasts from the UK Office for Budget Responsibility (OBR), as well as other analysis that the OBR produces.

"The Committee may be interested to note that the OECD Council recently adopted the *Council Recommendation on Principles for Independent Fiscal Institutions* (February, 2014) which provide guidance on issues to consider when establishing an independent parliamentary budget office or fiscal council (see attached)."<sup>64</sup>

86. When asked if the Welsh Government has sufficient administrative capacity to consider moving to a fully outcomes-based budget the Minister said

"We have to build the capability and capacity, as well as the expertise. We are actively looking at how we can secure that."<sup>65</sup>

### ***Committee View***

87. The issue of capacity in both the Assembly and the Welsh Government has been raised in much of the evidence received and the Committee feel this is an important area which needs further consideration.

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<sup>63</sup> Written evidence, Finance Committee, BPBP08

<sup>64</sup> Written evidence, Finance Committee, BPBP08

<sup>65</sup> Finance Committee, ROP, 14 May 2014, paragraph 81

**The Committee will look further at the capacity issues of the Assembly and the Welsh Government during the second part of the inquiry. However, the Committee recommends that both the Assembly Commission and the Welsh Government commence work to look at the capacity available to undertake work in relation to the devolution of further fiscal powers to Wales.**

**During part two of the inquiry the Committee will be undertaking work to look at forecasting financial information in Wales and the relative role of the OBR in this process.**

## Witnesses

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The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at

[www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?IId=1243](http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?IId=1243)

### *Wednesday 14 May 2014*

Jane Hutt AM	Minister for Finance
Dr Joachim Wehner	London School of Economics

### *Wednesday 4 June 2014*

Ronnie Downes	Organisation for Economic Co-operation and Development
Lisa Vontrapp	Society B Organisation for Economic Co-operation and Development
Camilla Vammalle	Organisation for Economic Co-operation and Development
Gerald Holtham	

### *Thursday 26 June 2014*

Don Peebles	Head of CIPFA Scotland
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## List of written evidence

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The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at [www.senedd.assemblywales.org/mgConsultationDisplay.aspx?ID=117](http://www.senedd.assemblywales.org/mgConsultationDisplay.aspx?ID=117)

<i>Organisation</i>	<i>Reference</i>
Diverse Cymru	FIN(4) – BPBP01
Office of Parliamentary Budget Officer, Canada	FIN(4) – BPBP02
The Chartered Institute of Public Finance & Accountancy	FIN(4) – BPBP03
Auditor General for Wales	FIN(4) – BPBP04
Federation of Small Businesses	FIN(4) – BPBP05
Dr Joachim Wehner, London School of Economics	FIN(4) – BPBP06
Gerald Holtham	FIN(4) – BPBP07
Organisation for Economic Co-operation and Development	FIN(4) – BPBP08
Cardiff Business School	FIN(4) – BPBP09