

CYNULLIAD CENEDLAETHOL CYMRU

ADRODDIAD GAN Y PWYLLGOR CYLLID

GEN-LD6847 - Draft Budget Proposals - 2008-09

Rhagymadrodd

1. Gosododd Llywodraeth Cynulliad Cymru GEN-LD6847 - Draft Budget Proposals - 2008-09 ddydd Llun 5 Tachwedd 2007. Rhoddwyd rhagor o fanylion am y gyllideb ddrafft yn y ddogfen sy'n cyd-fynd â hi: Main Expenditure Group Allocations for Welsh Ministers 2008-09 to 2010-11 Allocations to Budget Expenditure Line.
2. Cafodd y gyllideb ddrafft ei gosod yn llawer hwyrach nag a ragwelwyd yn wreiddiol. Y rheswm am hyn oedd bod Adolygiad Cynhwysfawr o Wariant 2007 Llywodraeth y DU wedi'i orffen yn hwyr. Mae'r Pwyllgor Cyllid yn ddiolchgar bod y Cynulliad wedi cadw at y pedair wythnos lawn y darperir ar eu cyfer yn y Rheolau Sefydlog i graffu ar y gyllideb ddrafft ond, serch hynny, ac o ganlyniad i'r ffaith bod yr amserlen mor dynn drwyddi draw, bu'n rhaid i'r Pwyllgor Cyllid alw tystion ar fyr rybudd. Mae'r Aelodau'n ddiolchgar i bawb am gydweithredu a chyd-ddeall.
3. Mae'r Rheolau Sefydlog yn gosod nifer o gyfrifoldebau penodol ar y Pwyllgor Cyllid, ac yn neilltuol:
 - 27.2 *Ni chaniateir gwneud cynnig yn y cyfarfod llawn mewn perthynas â chyllideb ddrafft y llywodraeth nes bod y Pwyllgor Cyllid wedi cyflwyno'i adroddiad ar y gyllideb ddrafft o dan Reol Sefydlog 27.4.*
 - 27.3 *Caiff pwyllgorau heblaw'r Pwyllgor Cyllid ystyried cyllideb ddrafft y llywodraeth a chyflwyno argymhellion i'r Pwyllgor Cyllid yn ei chylch heb fod yn hwyrach na phythefnos ar ôl iddi gael ei gosod gerbron y Cynulliad.*
 - 27.4 *Rhaid i'r Pwyllgor Cyllid ystyried y gyllideb ddrafft a chyflwyno adroddiad i'r Cynulliad yn ei chylch heb fod yn fwy na phedair wythnos ar ôl iddi gael ei gosod gerbron y Cynulliad. Rhaid i adroddiad y Pwyllgor Cyllid atodi unrhyw argymhellion y mae'r Pwyllgor Cyllid wedi'u cael gan bwyllgorau eraill.*
4. Mae Rheol Sefydlog 27.4 yn pennu'r dyddiad cau ar gyfer adroddiad y Pwyllgor Cyllid i'r Cynulliad, sef 3 Rhagfyr. Dyma gyfnod byr iawn i gyflwyno adroddiad ynddo ac, yn yr amser cyfyngedig a oedd ar gael iddo, aeth y Pwyllgor Cyllid ati o reidrwydd i graffu ar y gyllideb mewn ffordd benodol iawn. Roedd ystyriaeth y Pwyllgor Cyllid ar y gyllideb ddrafft yn golygu cymryd tystiolaeth gan y Gweinidog Cyllid a'i swyddogion ar 8 Tachwedd; gan Gymdeithas Llywodraeth Leol Cymru (CLILC) a chynrychiolwyr cyfarwyddwyr cyllid y GIG a'r Byrddau Iechyd Lleol ar 13 Tachwedd. Ystyriodd y Pwyllgor Cyllid hefyd sylwadau gan Bwyllgorau eraill y Cynulliad yn ei gyfarfod ar 22 Tachwedd ac, yn unol â Rheol Sefydlog 27.4, mae'r rhain wedi'u cynnwys yn Atodiad yr adroddiad hwn. Cafodd y Pwyllgor Cyllid ragor o dystiolaeth ysgrifenedig oddi wrth y Gweinidog, ychydig cyn ail gyfarfod y Pwyllgor gydag ef ar 27 Tachwedd, a chafodd rhagor o wybodaeth ei

gynnig yn ystod y trafod ond adeg drafftio'r adroddiad hwn nid oedd wedi dod i law.

Y Prif Adroddiad

5. Nid yw'r Pwyllgor Cyllid yn bwriadu cynnig cyllideb amgen ond mae'n dymuno tynnu sylw at nifer o faterion y mae ganddo bryderon yn eu cylch, gan hyderu y bydd y Gweinidog yn cymryd y rhain i ystyriaeth wrth lunio'i gyllideb derfynol.
6. Dyma'r flwyddyn gyntaf i'r Cynulliad fod â Phwyllgor Cyllid i graffu ar y gyllideb ac mae'n cyd-ddigwydd â gweithdrefnau newydd sy'n angenrheidiol oherwydd Deddf Llywodraeth Cymru 2006 a'r Rheolau Sefydlog diwygiedig. Mae'r broses o graffu ar y gyllideb wedi bod yn anodd a hynny oherwydd pryderon am yr wybodaeth a roddwyd a rhywfaint o ansicrwydd (dealladwy) am rolau'r gwahanol bwllgorau sy'n rhan o'r broses. Cymhlethwyd y sefyllfa gan yr amser cyfyngedig a oedd ar gael i bwysu a mesur y gyllideb a chan yr anawsterau a oedd yn wynebu rhai o'r pwyllgorau o ran sicrhau amser yn nyddiaduron y Gweinidogion i roi tystiolaeth. **Yng ngoleuni ei brofiad, bydd y Pwyllgor Cyllid yn ystyried sut y mae'r gweithdrefnau hyn wedi gweithio yn ymarferol, gyda golwg ar gynhyrchu adroddiad ar wahân ar broses y gyllideb ar ôl i'r cylch cyfredol gael ei gwblhau. Mae'r Pwyllgor Cyllid yn argymhell yn gryf fod blaenoriaeth yn cael ei rhoi i broses y gyllideb yn nyddiaduron y Gweinidogion a'r pwyllgorau yn y dyfodol, a hynny er mwyn sicrhau bod digon o amser yn cael ei ddarparu ar gyfer gwaith craffu digonol.**
7. **Mae'r Pwyllgor Cyllid yn croesawu parodrwydd y Gweinidog i gytuno ar brotocol¹ ar gyfer proses y gyllideb a fydd yn ategu gofynion bras y Rheolau Sefydlog. Dylai hyn helpu i roi sylw i rai o'r anawsterau a gafwyd yn y cylch cyllideb presennol.**
8. Mae'r Pwyllgor Cyllid o'r farn na ddylai cyllidebu gael ei weld fel un digwyddiad unigol bob blwyddyn a'i bod yn bwysig i'r Pwyllgor Cyllid gadw golwg gyffredinol ar y newidiadau a wneir yn ystod y flwyddyn, a deall y ffactorau y tu ôl i'r newidiadau hyn a'u heffaith ar y rhaglenni. **Gan hynny, mae'r Pwyllgor Cyllid yn croesawu cytundeb y Gweinidog i roi adroddiadau ar gynydd i'r Pwyllgor ar adegau allweddol² yn ystod y flwyddyn er mwyn i'r Pwyllgor gael yr wybodaeth ddiweddaraf am newidiadau yn y patrymau gwario.**
9. At ei gilydd, mae'r Pwyllgor Cyllid wedi canolbwyntio ar ymagwedd strategol y Llywodraeth at gynllunio'r gyllideb a'i rheoli. Cyfrifoldeb Pwyllgorau eraill yn bennaf yw craffu ar gyllidebau'r portffolios unigol, ac mae eu canfyddiadau nhw ar gael mewn atodiad i'r adroddiad hwn.

Adolygiad Cynhwysfawr o Wariant 2007

10. Mae'r Adolygiad Cynhwysfawr o Wariant ar gyfer 2007 a gyhoeddwyd ar 9 Hydref wedi arwain at ddyraniadau ychwanegol yn Nherfyn Gwariant Adrannol (DEL) cyllideb y bloc Cymreig o £684 miliwn yn 2008-09 (heb gynnwys dibrisiant) gan godi i £1,376 miliwn yn 2009-10 a £2,184 miliwn yn 2010-11. Mae'r codiadau hyn wedi'u gosod yn erbyn gwaelodlin ddiwygiedig ar gyfer 2007-08 o £13,588 miliwn, sef rhyw £200 miliwn yn is na'r swm gwirioneddol a ddyrannwyd ar gyfer y flwyddyn honno. Mae'r gostyngiad hwn yn deillio o'r ffaith bod y Trysorlys wedi cymhwyso fformwla Barnett at danwariant, a thoriad oherwydd hynny, yn yraniad yr Adran Iechyd ar gyfer 2007-08.

11. Dywedodd Datganiad y Gweinidog Cyllid³ a gyhoeddwyd ar yr un diwrnod fod y ffigurau a gyhoeddwyd yn dangos y bydd Cymru'n cael cynnydd mewn termau real cyfartalog yn ei DEL o 2.4% y flwyddyn yn y cyfnod 2008-09 ond bod y ganran honno wedi'i seilio ar y waelodlin ddiwygiedig. Ar sail dyraniad gwirioneddol 2007-08 o £13,813 miliwn⁴ y cynnydd canrannol mewn termau real yw 1.8% y flwyddyn. Ar gyfer 2008-09, y cynnydd yn y DEL ar sail dyraniad gwirioneddol 2007-08 yw £329 miliwn. O hynny, defnyddir rhyw £200 miliwn⁵ ar godiadau yn nhâl y sector cyhoeddus, gan adael dim ond £129 miliwn ac unrhyw arbedion effeithlonrwydd a geir yn ystod y flwyddyn i ddarparu ar gyfer chwyddiant ar wariant refeniw a gwariant cyfalaf arall yn ogystal ag unrhyw wariant newydd sydd wedi'i gynllunio.
12. Dywedodd Datganiad y Gweinidog ar 9 Hydref⁶ hefyd fod angen iddo gael rhagor o drafodaethau gyda'r Trysorlys i egluro mater y waelodlin lle'r oedd yna bryderon difrifol o hyd ynglŷn â'r addasiadau. Er hynny, ar 8 Tachwedd, dywedodd y Gweinidog wrth y Pwyllgor Cyllid y byddem yn dal i gael cynnydd o 1.8 y cant pe na bai'r gostyngiadau yn y waelodlin wedi digwydd; y byddai'r Trysorlys a Llywodraeth y Cynulliad yn cytuno mai cynnydd o 1.8 y cant a geid; ac nad oedd y gostyngiadau yn y waelodlin yn effeithio ar ein cynlluniau gwario mewn unrhyw fodd. Er bod y Pwyllgor Cyllid yn deall bod y Trysorlys wedi seilio'u dyraniad "Fformwla Barnett" i Gymru ar y symiau gwirioneddol a ddyrannwyd i'r Adran Iechyd a'r adrannau eraill dros y tair blynedd sydd o dan sylw yn yr adolygiad o wariant, mae'n dal i ofidio ynglŷn â'r newid meddwl a gafodd y Gweinidog yn ôl pob golwg rhwng 9 Hydref pan oedd ganddo "bryderon difrifol ynglŷn â'r addasiadau"⁷ a 8 Tachwedd pan amddiffynnodd ymagwedd y Trysorlys.⁸ **Hoffai'r Pwyllgor Cyllid gael esboniad ar hyn.**
13. Dyrannodd Adolygiad Cynhwysfawr o Wariant 2007 £3.623 biliwn o gyllid hefyd dros y tair blynedd nesaf i dair adran o'r llywodraeth mewn perthynas â datblygu Gemau Olympaidd a Pharalympaidd 2012. Mae'r Trysorlys wedi trin hyn fel gwariant sydd heb ei ddatganoli a does dim dyraniad cyfatebol wedi'i roi i Gymru drwy Fformwla Barnett. Nid yw'r ymagwedd hon yn gyson â chyllid y Trysorlys ar gyfer prosiectau seilwaith eraill megis Llinell y Jiwbilf a phrosiect arfaethedig "Cross rail" lle cafodd Cymru neu lle caiff Cymru ei dyraniad llawn drwy gyfrwng Fformwla Barnett. Dywedodd y Gweinidog wrth y Pwyllgor Cyllid ei fod yn anghytuno â safbwynt y Trysorlys ar y mater hwn.⁹ Mae'r Aelodau'n cytuno'n llawn â'r Gweinidog a hoffent wybod y rhesymau am yr ymagwedd sydd wedi'i harddel gan y Trysorlys, sy'n golygu bod Cymru wedi colli cyllid ychwanegol y mae mawr angen amdano. **Hoffai'r Pwyllgor Cyllid i'r Gweinidog roi rhagor o wybodaeth am y mater hwn.**

Buddsoddiadau Cyfalaf

14. Wrth gyhoeddi ei gyllideb, cyhoeddodd y Gweinidog Cyllid ymagwedd fwy strategol at fuddsoddiadau cyfalaf, gan ganolbwyntio ar y blaenoriaethau allweddol a'u hategu â mwy na £400 miliwn dros dair blynedd. Câi'r ymagwedd hon ei hategu drwy greu "Bwrdd Buddsoddiadau Cyfalaf Strategol (SCIB)".¹⁰ Siom i'r Pwyllgor Cyllid oedd na allai'r Gweinidog roi dim gwybodaeth am sut y gallai hyn weithio, gan ddweud dim ond bod strwythur, aelodaeth a phrosesau'r Bwrdd yn dal i gael eu datblygu.¹¹ **Mae'r Pwyllgor Cyllid yn galw am ragor o fanylion am y trefniadau gan gynnwys amserlen, cyfansoddiad arfaethedig y Bwrdd a'r meini prawf ar gyfer gwneud penderfyniadau. Mae'r Pwyllgor Cyllid hefyd yn nodi barn y Gweinidog y bydd y gyfundrefn newydd yn**

hyblyg ac na fydd yn creu oedi tra bydd adrannau'n cystadlu yn erbyn ei gilydd am adnoddau. Mae'r Pwyllgor yn bwriadu monitro gwaith y Bwrdd yn ofalus yn y blynyddoedd i ddod.

15. Yn y gyllideb ddrafft, mae £400 miliwn wedi'i ychwanegu at y cronfeydd wrth gefn ac, o ganlyniad i hynny, mae'r dyraniadau cyfalaf i'r adrannau wedi'u ffrwyno dros y cyfnod o dair blynedd. **Mae'r Pwyllgor Cyllid yn gofyn am sicrwydd y bydd canlyniadau ystyriaethau'r Bwrdd yn cael eu cyhoeddi a'u cysylltu'n glir â'r dyraniadau i'r adrannau a'r prosiectau a geir yn eu sgil a hynny yn y papurau a fydd yn ategu'r gyllideb ac mewn cynigion cyllideb atodol.**
16. Er gwaethaf y mecanweithiau ar gyfer dyrannu gwariant cyfalaf, mae'r Pwyllgor Cyllid yn gofidio ei bod yn ymddangos y bydd cyfanswm y galwadau ar gyllidebau cyfalaf y Cynulliad gryn dipyn yn fwy na'r adnoddau sydd ar gael. Mae'r Pwyllgor Cyllid yn cydnabod y gall arian ar gyfer cyfalaf ddod o amryw o ffynonellau, gan gynnwys cronfeydd strwythurol Ewrop. Mae hefyd yn cydnabod bod y Gweinidog yn symud yn ei flaen yn ddoeth ac na all ddibynnu ar gronfeydd strwythurol Ewrop nes eu bod wedi'u cymeradwyo gan y Comisiwn Ewropeaidd. Ar y llaw arall, yn niffyg amcangyfrif o lefel yr incwm o ffynonellau o'r fath, mae'n ymddangos bod y gyllideb ddrafft yn amlygu prinder o bwys.
17. Mae'r Pwyllgor Cyllid yn cydnabod yr anawsterau sy'n wynebu'r Gweinidog yn hyn o beth, ond dyma faes holl-bwysig yng ngwariant y Cynulliad a byddai'r Pwyllgor yn croesawu rhagor o wybodaeth oddi wrth y Gweinidog am sut y caiff rhaglen gyfalaf y Llywodraeth ei hariannu. Yn benodol, mae'r Pwyllgor yn credu bod y ffigurau a gyflwynwyd yn dangos prinder arwyddocaol yn y cyllid cyfalaf a fydd ar gael pan gymerir i ystyriaeth y dagfa o waith cynnal-a-chadw mewn meysydd allweddol ym mholisi'r Llywodraeth. **Mae'r Pwyllgor Cyllid yn bwriadu ystyried rhaglenni cyfalaf yn fanylach fel rhan o'i raglen waith at y dyfodol.**

Cronfeydd wrth gefn

18. Mae'r tabl canlynol wedi'i seilio ar ffigurau o'r gyllideb ddrafft ac amcangyfrifon o ddyraniadau cyfalaf a gynhwyswyd yn y cronfeydd wrth gefn a ddarparwyd gan swyddogion Llywodraeth y Cynulliad. Cyfanswm y dyraniad cyfalaf yw £338 miliwn, sy'n llai na'r £400 miliwn dros dair blynedd a grybwyllwyd gan y Gweinidog ac sydd wedi'i ddyrannu i'r Bwrdd Buddsoddiadau Cyfalaf Strategol. **Mae hyn yn awgrymu bod y gweddill eisoes wedi'i ddyrannu i bortffolios y Gweinidogion, a byddai'r Pwyllgor Cyllid yn croesawu esboniad ar sut mae hynny wedi'i wneud.**

Canrannau'r cronfeydd wrth gefn sydd heb eu dyrannu

	2008-09	2009-10	2010-11
			<i>£000</i>
Terfynau Gwariant Adranol (DEL) (heb gynnwys Swyddfa Cymru)	14,551,929	15,243,610	16,056,389
Cyfanswm y cronfeydd heb eu dyrannu (o'r Cynigion Cyllideb Drafft)	135,986	426,798	845,909
ac o hynny - Cyfalaf	0	92,486	245,521
Gweddill y cronfeydd heb eu dyrannu	135,986	334,312	600,388
Gweddill y cronfeydd heb eu dyrannu fel canran o'r DEL ¹	0.9	2.2	3.7

Ffynhonnell: Gwasanaeth Ymchwil yr Aelodau o ffigurau Llywodraeth y Cynulliad

¹ Esboniodd swyddogion Llywodraeth y Cynulliad fod y canrannau hyn yn wahanol i ganrannau'r Gweinidog yn ei dystiolaeth lafar i'r Pwyllgor gan fod ei gyfrifiadau wedi hepgor unrhyw elfennau heblaw arian parod

19. Gosododd cynnig cyllideb 2007-08 a basiwyd ym mis Rhagfyr 2006 gronfa wrth gefn o £149 miliwn neu 1% o'r DEL a dyrannwyd gan y Trysorlys. £136 miliwn yw'r ffigur cyfatebol yng nghyllideb ddrafft 2008-09. Mae'r cronfeydd wrth gefn ar gyfer 2009-10 a 2010-11 yn codi i £427 miliwn ac £846 miliwn yn y drefn honno ond mae'r rhain yn cael eu cymylu drwy gynnwys gwariant cyfalaf sydd i'w ddyrannu gan y Bwrdd Buddsoddiadau Cyfalaf Strategol. Diben cronfa wrth gefn yw neilltuo swm ar gyfer argyfyngau a digwyddiadau annisgwyl eraill a fyddai'n effeithio ar y gyllideb ac a allai godi yn ystod y flwyddyn, ac ni ddylai gael ei chymysgu â gwariant cyfalaf cynlluniedig. **Gan hynny, mae'r Pwyllgor Cyllid yn croesawu addewid¹³ y Gweinidog y bydd yn dangos y gwariant cyfalaf strategol a neilltuwyd ar gyfer y Bwrdd hwnnw ar linell ar wahân yn y gyllideb derfynol er mwyn datgelu'r symiau gwirioneddol sydd wedi'u neilltuo ar gyfer argyfyngau.**
20. Mae'r Pwyllgor Cyllid yn awyddus hefyd i sicrhau y bydd lefelau'r cronfeydd wrth gefn yn y dyfodol yn cael eu seilio ar ddoethineb ariannol. Roedd y Gweinidog Cyllid blaenorol o'r farn bod "reserves are maintained as part of our prudent approach to financial management"¹⁴ ac roedd ganddo "target of maintaining a reserve of one percent of the budget as a necessary precaution to met the risks on the budget in the coming year"¹⁵.
21. Yn y cyd-destun hwn, roedd yr Aelodau'n gofidio ynglŷn â'r gostyngiad o £13 miliwn yn y cronfeydd wrth gefn ar gyfer 2008-09 er eu bod yn derbyn bod angen i'r symiau heb eu gwario a gariwyd drosodd o 2007-08 o dan gyfundrefn Hyblygrwydd Diwedd Blwyddyn (EYF) y Trysorlys gael eu cymryd i ystyriaeth. Er hynny, dywedodd y Gweinidog wrth y Pwyllgor Cyllid fod Llywodraeth Cynulliad Cymru wedi bod yn eithriadol o effeithlon wrth reoli grant bloc y Cynulliad a'i bod, yn ddiethriadol bron, yn yr wyth mlynedd cyntaf, wedi gwario tua 99 y cant neu fwy o'n dyraniadau.¹⁶ **Mae'r Pwyllgor Cyllid yn nodi bod lefel y cronfeydd wrth gefn wedi'i gosod yn y gorffennol ar 1% a byddai'n croesawu datganiad gan y Gweinidog ar lefel ddelfrydol y cronfeydd wrth gefn y mae'n credu y dylai gael ei chadw o'r naill flwyddyn i'r llall ac ar ei gynlluniau ar gyfer cyrraedd y lefel honno. Mae'r Pwyllgor Cyllid yn galw ar y Gweinidog hefyd i gadarnhau ar wahân y symiau sy'n cael eu cadw wrth gefn ar gyfer referniw a chyfalaf (heb gynnwys y symiau sydd wedi'u neilltuo ar gyfer gwariant cynlluniedig gan y Bwrdd Buddsoddiadau Cyfalaf Strategol).**

Cymru'n Un

22. Mewn ymateb i gwestiynau'r Pwyllgor Cyllid ar gost rhaglen y Llywodraeth, 'Cymru'n Un', roedd y Gweinidog Cyllid yn awyddus iawn i esbonio nad oes gwariant ar gyfer Llywodraeth y Cynulliad a gwariant ar gyfer 'Cymru'n Un' ar wahân. Caiff y gyllideb gyfan ei buddsoddi i wireddu rhaglen 'Cymru'n Un'.¹⁷ Mae'n debyg y bydd llawer o ymrwymadau rhaglen 'Cymru'n Un' yn cael eu gwireddu drwy gyfrwng cydweithio rhwng gwahanol adrannau yn Llywodraeth y Cynulliad a chyrrff cyhoeddus eraill, gan gynnwys llywodraeth leol. Felly, mewn rhai meysydd, mae'n bosibl y bydd y Llywodraeth yn gallu bod yn eglur ynghylch gwariant ar ymrwymadau unigol neu benodol, ond fydd hynny ddim yn wir am bob un ohonynt. Yn benodol, mae dogfen Cymru'n Un yn cynnwys ymrwymiad i ddatblygu byrddau a chytundebau gwasanaethau lleol, gan gynnwys ymrwymiad i gyfuno cyllidebau.
23. Mae'r Pwyllgor Cyllid o'r farn y dylai fod modd cyflwyno cyllideb sy'n gallu cael ei halinio'n glir ag amcanion strategol y Llywodraeth. Fyddai hynny ddim yn golygu

newid fformat dogfennau ffurfiol y gyllideb ond fe allai fod angen rhywfaint o ddadansoddi pellach ar y gyllideb (i ddangos cost gwireddu pob amcan strategol) drwy gyfrwng esboniad.

24. Nid yw'r Pwyllgor Cyllid wedi gweld tystiolaeth eto sy'n dangos bod modd i ymrwymadau "Cymru'n Un" gael eu bodloni o safbwynt ariannol ac mae'n disgwyl cael rhagor o wybodaeth ar ba bolisiau a gaiff flaenoriaeth a pha rai fydd yn brosiectau peilot yn unig, ynghyd â chostiadau ariannol bras i bob polisi. **Derbyniodd y Gweinidog y byddai o gymorth i'r Pwyllgor Cyllid ac i'r Llywodraeth yn y dyfodol pe bai modd archwilio'r cynnydd drwy wneud cysylltiad clir rhwng yr amcanion polisi strategol a llinellau penodol yn y gyllideb.**¹⁸ **Mae'r Pwyllgor Cyllid yn disgwyl i hyn gael ei wneud ymhell cyn y cylch cyllideb nesaf.**

Arbedion Effeithlonrwydd

25. Yn y ddogfen "Creu'r Cysylltiadau", ymrwymodd y Llywodraeth i sicrhau arbedion o £600 miliwn o ran gwerth am arian, ar draws gwasanaeth cyhoeddus Cymru erbyn 2010.¹⁹ Byddai hynny'n golygu bod rhaid i sefydliadau'r sector cyhoeddus ddod o hyd i enillion gwerth am arian o 1% o leiaf ar sail gylchol ym mhob un o'r blynyddoedd sy'n dechrau yn 2005-06. Dywedodd y Gweinidog wrth y Pwyllgor Cyllid fod y Llywodraeth yn credu bod hyd yn oed mwy o le i sicrhau mwy o effeithlonrwydd, ac y byddai'n gweithio gyda chydweithwyr ar sut i'w sicrhau. Mae'r gwaith hwnnw'n mynd yn ei flaen. **Nid yw'r Pwyllgor Cyllid yn glir ynglŷn â lefel yr arbedion effeithlonrwydd y mae'r Gweinidog Cyllid yn disgwyl ei sicrhau ac mae'n galw arno i ddarparu rhagolygon manwl ynghyd â thystiolaeth i ddangos bod modd eu gwireddu.**
26. Yng ngoleuni'r ffaith bod yr Adolygiad Cynhwysfawr o Wariant mor dynn, mae'r Pwyllgor Cyllid yn cytuno â'r Gweinidog fod rhaid inni sicrhau mwy o'r bunt Gymreig.²⁰ ac mai nid faint yr ydym yn ei wario yw'r cwestiwn, ond yn hytrach sut yr ydym yn ei wario a pha ganlyniadau sy'n cael eu sicrhau. Yn y cyd-destun hwn, mae'n bwysig gosod mwy byth o bwyslais ar aneffeithlonrwydd a chael holl gyrrff y sector cyhoeddus i godi eu safonau. **Mae'r Pwyllgor Cyllid o'r farn mai nawr yw'r amser i adolygu'r cynnydd ar 'Creu'r Cysylltiadau' gyda golwg ar sefydlu targedau effeithlonrwydd archwiliadwy diwygiedig ac rydym yn edrych ymlaen at wybod canlyniadau'r gwaith yn y maes hwn sy'n mynd yn ei flaen.**

Ymdrin â chwyddiant

27. Teimlai'r Pwyllgor Cyllid fod y ffordd y cyflwynwyd y gyllideb yn peri dryswch. **I hybu eglurder, dylai'r Llywodraeth ddarparu o leiaf godiadau canrannol ar gyfer ffigurau'r Prif Grwpiau Gwariant, a hynny mewn termau real ac absoliwt. Byddai hynny'n caniatáu trafodaeth fwy gwybodus ar y newidiadau gwirioneddol ym mhorthffolios y Gweinidogion. Mae'r Pwyllgor Cyllid yn galw am nodiadau a ffigurau pendant i gysoni'r gwaelodlinau y mae'r Llywodraeth yn eu defnyddio, gan nad yw'n ymddangos bod y rhain yn cyfateb i'r data arall sydd ar gael.**

Yr adrannau gwario

28. Cafodd y pwynt ei wneud gan y Gweinidog Cyllid sawl tro mai mater i'r Gweinidogion sy'n gyfrifol amdany'n nhw yw'r penderfyniadau gwario yn yr

adrannau unigol.²¹ Mae'r Gweinidogion hynny wedi rhoi, neu am roi, tystiolaeth i'r priod bwyllgorau craffu ac mae eu canfyddiadau ar y gyllideb ddrafft wedi'u cynnwys mewn atodiad i'r adroddiad hwn. Gan hynny, dim ond materion sy'n gymwys yn gyffredinol neu sy'n peri pryder yn gyffredinol sydd o dan sylw yn y paragraffau isod. Mae nifer o'r pwyllgorau wedi cyflwyno sylwadau ar broses y gyllideb ac, yn benodol, ar yr amser sydd ar gael ar gyfer eu cyfraniad nhw. **Caiff y rhain eu hystyried gan y Pwyllgor Cyllid fel rhan o'r adolygiad o broses y gyllideb sydd ar y gweill ganddo.**

Llywodraeth leol a'r Gwasanaeth Iechyd Gwladol

29. Nid oedd yr amser a roddwyd i graffu ar y gyllideb ddrafft yn caniatáu i unrhyw lefel arwyddocaol o dystiolaeth gael ei chymryd oddi wrth lywodraeth leol na'r Gwasanaeth Iechyd Gwladol. Yn yr un modd, ychydig yn unig o amser oedd ar gael i'r Pwyllgor Iechyd, Lles a Llywodraeth Leol edrych ar y ddwy gyllideb bwysig hyn. Mae'r Pwyllgor Cyllid yn nodi bod y Pwyllgor hwnnw wedi dod i gasgliadau tebyg i eiddo'r Pwyllgor Cyllid ei hun mewn nifer o feysydd.²² - yn enwedig felly mor anodd yw alinio amcanion y gyllideb ag amcanion dogfen Cymru'n Un. Mae'r angen am gysylltiadau clir yn bwysicach byth o gofio setliad tynn y CSR a chynlluniau gwariant y Gweinidog - ac yn arbennig lefel y cyllid i lywodraeth leol sydd wedi peri llawer o bryder ledled Cymru.
30. Mae'r pryder hwn yn cynyddu yn sgil y dystiolaeth a roddwyd gan CLILC y byddai'n anodd, o gofio lefel arfaethedig y cyllid, cyflwyno'r gwasanaethau craidd²³ heb sôn am gyrraedd y targedau newydd a ddisgwyliid o dan raglen Cymru'n Un heb gynnydd annerbyniol yn lefelau'r dreth gyngor. Daeth CLILC â'i thystiolaeth i ben drwy wneud ple arbennig ar ran yr awdurdodau lleol sy'n disgwyl cael setliadau o lai nag 1.5%.²⁴ **Mae gan y Pwyllgor Cyllid bryderon difrifol bod setliad cyfredol llywodraeth leol yn annigonol i ariannu'r gwasanaethau craidd ac mae'n gofyn i'r Gweinidog adolygu cyfanswm yr arian.**
31. Mae'r Pwyllgor Cyllid yn edrych ymlaen at y gwaith sy'n cael ei wneud gan y Llywodraeth i ddangos y cysylltiadau rhwng y gyllideb a Chymru'n Un ac at y dadansoddiad manylach y bydd hynny'n ei roi o'r gallu i gyrraedd targedau Cymru'n Un. Ymhellach, mae'r Pwyllgor Cyllid yn croesawu ymrwymiad y Gweinidog i gadw at ysbryd cytundeb Rhagfyr 2003 bod rhaid i fentrau a chyfrifoldebau newydd gael eu hariannu'n llawn cyn cael eu trosglwyddo i lywodraeth leol.²⁵ **Gan hynny, mae'r Pwyllgor yn disgwyl i'r Gweinidog sicrhau y bydd yna eglurder rhwng unrhyw ofynion newydd a gaiff eu gosod ar lywodraeth leol - gan gynnwys y rhai sydd i'w rhoi gan Gymru'n Un - a'r cynnydd mewn arian a fydd yn deillio ohonynt.**
32. Mae'r Pwyllgor Cyllid yn rhannu pryderon y gymuned iechyd ac addysg uwch ynglŷn ag arian ar gyfer ymchwilio a datblygu meddygol ac mae'n dda gan y Pwyllgor nodi'r ymrwymadau ariannol diweddar sydd wedi'u rhoi yn hyn o beth gan Brif Weinidog Cymru a'r Gweinidog dros lechyd a Gwasanaethau Cymdeithasol.
33. Cododd cynrychiolwyr y gwasanaeth iechyd gwestiwn "dyfarniad Grogan"²⁶ a'r cyfrifoldebau ariannol ychwanegol sy'n cael eu rhoi ar gyrrff yn y GIG yn ei sgil. **Mae'r Pwyllgor Cyllid yn dymuno gwybod sut mae'r Gweinidog Cyllid wedi mynd ati i daro'r cydbwysedd priodol rhwng arian ar gyfer iechyd a**

gwasanaethau cymdeithasol wrth wneud dyraniadau rhwng cyllidebau'r GIG a'r awdurdodau lleol.

34. Mynegodd y cynrychiolwyr bryder hefyd ynghylch gallu cyrff yn y GIG i dalu costau rhai o'r therapiau cyffuriau newydd, uchel eu proffil, sy'n cael eu cymeradwyo gan y Sefydliad Cenedlaethol dros Ragoriaeth Glinigol (NICE).²⁷ Cyfeiriodd y cynrychiolwyr, er enghraifft, at y cyffur newydd Lucentis a fydd, o'i gymeradwyo gan NICE, yn arwain at gostau a aiff yn ddegau o miliynau o bunnoedd ar draws y GIG yng Nghymru.
35. Cafodd y Pwyllgor Cyllid fraw hefyd yn sgil sylwadau cynrychiolwyr y GIG na fyddai modd gwireddu ymrwymiad Llywodraeth Cynulliad Cymru i leihau rhestrau aros heb gynllun yr 'ail gynnig'.²⁸ **Mae'r Pwyllgor Cyllid yn gofyn am sicrhad gan y Gweinidog Cyllid fod cyllideb y GIG wedi'i chynllunio mewn modd priodol i wireddu polisiau'r Llywodraeth.**

Treftadaeth

36. Mae'r Pwyllgor Cyllid yn nodi sylwadau'r Pwyllgor Cymunedau a Diwylliant ar gynlluniau gwario'r gweinidog Treftadaeth.²⁹ O ran y cytundeb i gynyddu arian blynyddol Canolfan Mileniwm Cymru a thalu dyledion y Ganolfan, mae'r Pwyllgor Cyllid yn cytuno nad oedd gan y Gweinidog ddewis ond helpu'r Ganolfan fel hyn y tro hwn. **Er hynny, mae'r Pwyllgor Cyllid am ei gwneud yn gwbl glir i sefydliadau sy'n cael cymorth drwy gyfrwng arian y trethdalwyr y dylent gynllunio'n realistig ac na ddylid disgwyl yn awtomatig y bydd y Cynulliad yn fodlon ariannu diffygion yn y dyfodol. Mae'r Pwyllgor Cyllid hefyd yn dymuno gwybod pa drefniadau sydd wedi'u gwneud i fonitro sefyllfa ariannol Canolfan y Mileniwm.**

Materion Cydraddoldeb

37. Mae'r Pwyllgor Cyllid wedi ceisio osgoi cael ei dynnu i drafodaethau am ragoriaethau ariannu'r naill raglen o'i chymharu â'r llall ac mae Pwyllgorau eraill mewn gwell sefyllfa i asesu haeddiannau'r rhain. Er hynny, mae sylw'r Pwyllgor Cyllid wedi'i dynnu at y Datganiad Barn OPIN-2007- 0082 - Mae Plant Anabl yn Bwysig/Disabled Children Matter, sydd wedi'i lofnodi gan 31 o Aelodau'r Cynulliad. Mae'n galw ar Lywodraeth Cynulliad Cymru i warantu y bydd yr £21m sy'n dilyn "Aiming High for Disabled Children: Better Support for Families" yn cael ei neilltuo i helpu plant anabl a'u teuluoedd yng Nghymru. Mewn nodyn maith i'r Pwyllgor Cyllid,³⁰ nododd y Gweinidog y sail y mae'r Cynulliad yn ymdrin â 'symiau canlyniadol' Barnett arni, a bod natur y setliad datganoli yn golygu nad yw'n ofynnol i'r symiau hyn gael eu defnyddio ar gyfer y gwasanaethau a greodd yr arian yn Lloegr. Mae'r Pwyllgor Cyllid yn nodi'r pwynt hwn ond mae'n synnu nad yw'r Gweinidog yn teimlo y dylid rhoi mwy o bwysau na hyn i farn a fynegwyd mewn datganiad a ategwyd gan gynifer o Aelodau'r Cynulliad. **Mae'r Pwyllgor yn argymhell y dylai'r Gweinidog ailystyried y mater hwn gyda golwg ar drefnu bod o leiaf yr £21 miliwn ar gael i'w wario ar wasanaethau i blant anabl dros y tair blynedd nesaf.**
38. Ochr yn ochr â'r mater penodol hwn, mynegwyd pryder yn y Pwyllgor Cyllid am yr anhawster wrth nodi'r camau sy'n cael eu cymryd gan Lywodraeth Cynulliad Cymru i roi sylw i broblemau tlodi plant. Dywedodd y Gweinidog mai'r rheswm am hyn oedd bod amrywiol elfennau'r rhaglen yn cael eu rhannu rhwng nifer o Adrannau a'i bod yn aml yn anodd iawn adnabod y rhannau, a'r arian a oedd yn

canolbwyntio ar dlodi plant...³¹ **Mae'r Pwyllgor Cyllid yn croesawu cytundeb y Gweinidog i gynhyrchu dadansoddiad archwiliadwy o'r wybodaeth a all gael ei darparu am y rhaglenni hyn ac mae'n galw am gael y dadansoddiad erbyn diwedd y flwyddyn ariannol gyfredol.**

Diogelwch Cymunedau

39. Mynegwyd pryder yn y Pwyllgor Cyllid am y cyllid statig ar gyfer diogelwch cymunedau a hynny yn llinell gyfalaf a llinell refeniw'r gyllideb dros y tair blynedd nesaf, yn enwedig yng nghyd-destun yr unedau ymddygiad gwrthgymdeithasol sydd wedi'u haddo i ardal pob un o'r awdurdodau lleol...³² **Cytunodd y Gweinidog y byddai'n darparu nodyn ar y pwynt hwn. Hoffai'r Pwyllgor Cyllid gael rhagor o eglurhad ar linellau'r gyllideb a sut y caiff yr unedau arfaethedig eu sicrhau, yng ngoleuni'r cyllidebau statig.**

Diweddgo

40. Mae hon wedi bod yn gyllideb anodd i'w llunio ac un anodd i graffu arni, o gofio iddi gael ei phennu yn erbyn y setliad CSR tynnaf ers dyfodiad llywodraeth ddatganoledig. Mae gan y Pwyllgor Cyllid bryderon o ran pa mor deg yw'r setliad hwnw ac, yn benodol, am sut mae'r Trysorlys wedi dehongli'r ffordd i gymhwyso fformwla Barnett at ddyraniadau penodol i adrannau'r llywodraeth yn Lloegr. Mae'r pryderon hyn yn cael eu dwysáu gan ddiffyg eglurder ynghylch nifer o agweddau ar gyllideb y Gweinidog Cyllid gan gynnwys sut y bydd y Bwrdd Buddsoddiadau Cyfalaf Strategol yn gweithredu, pa lefel o gronfeydd wrth gefn sy'n ddymunol er mwyn cynnal doethineb ariannol a pha lefel o arbedion effeithlonrwydd a ddisgwyllir.
41. Mae'r Pwyllgor Cyllid hefyd yn rhannu pryderon cymuned llywodraeth leol ynglŷn â'r gallu i gynnal y gwasanaethau craidd, a gallu cymuned y GIG i dalu cost therapïau cyffuriau uchel eu proffil ac ymrwymiad Llywodraeth Cynulliad Cymru i leihau amserau aros.
42. Yn olaf, mae'r Pwyllgor Cyllid yn galw am eglurder ynghylch lefel yr arian yn y gyllideb i roi sylw i'r pryderon difrifol sydd wedi'u mynegi am gymorth i blant anabl, diogelwch cymunedau a thlodi plant.
- 43. Mae'r Pwyllgor Cyllid yn annog y Llywodraeth i ystyried yr argymhellion sydd wedi'u gwneud yn yr adroddiad hwn a gweithredu arnynt.**

Alun Cairns AC
Cadeirydd y Pwyllgor Cyllid

Cyfeiriadau

- ¹ Papur Pwyllgor: FIN(3) 03-07 (p1) paragraff 7
- ² Cofnod y Trafodion: Y Pwyllgor Cyllid 27 Tachwedd 2007
- ³ Datganiad y Gweinidog 9 Hydref 2007
- ⁴ Wedi'i godi o Adroddiad Blynyddol Swyddfa Cymru Mai 2007 (Atodiad 3)
- ⁵ Wrth ymateb i gwestiynau, nododd y swyddogion mai amcangyfrif bras oedd y ffigur hwn a'i fod yn dibynnu ar lawer o newidynnau, o gofio bod y mwyafrif o setliadau tâl y sector cyhoeddus ymhell o gael eu cwblhau.
- ⁶ Datganiad y Gweinidog 9 Hydref 2007
- ⁷ Datganiad y Gweinidog 9 Hydref 2007
- ⁸ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [52] [54]
- ⁹ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [77]
- ¹⁰ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [100]
- ¹¹ Papur Pwyllgor: FIN(3) 08-07 (p1a) paragraff 3.4
- ¹² Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [107]
- ¹³ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [108] [112]
- ¹⁴ Cofnod y Trafodion: 13 Rhagfyr 2006
- ¹⁵ Cofnod y Trafodion: 7 Chwefror 2007
- ¹⁶ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [25]
- ¹⁷ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [144]
- ¹⁸ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [145-146]
- ¹⁹ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [173]
- ²⁰ Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [173]
- ²¹ Er enghraifft, Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [209] [211] [223]; Cofnod y Trafodion: Y Pwyllgor Cyllid 27 Tachwedd 2007
- ²² Er enghraifft, Cofnod y Trafodion: Y Pwyllgor Cyllid 8 Tachwedd 2007 [209] [211] [223]; Cofnod y Trafodion: Y Pwyllgor Cyllid 27 Tachwedd 2007
- ²³ Cofnod y Trafodion: Y Pwyllgor Cyllid 13 Tachwedd 2007 [133-135] [139]
- ²⁴ Cofnod y Trafodion: Y Pwyllgor Cyllid 13 Tachwedd 2007 [185]
- ²⁵ Cofnod y Trafodion: Y Pwyllgor Cyllid 27 Tachwedd 2007
- ²⁶ Papur Pwyllgor: FIN(3) 06-07 (p6); Cofnod y Trafodion: Y Pwyllgor Cyllid 13 Tachwedd 2007 [194] [214] [216]
- ²⁷ Cofnod y Trafodion: Y Pwyllgor Cyllid 13 Tachwedd 2007 [196] [201] [295]
- ²⁸ Cofnod y Trafodion: Y Pwyllgor Cyllid 13 Tachwedd 2007 [241]
- ²⁹ Papur Pwyllgor: FIN(3) 07-07 (p5)
- ³⁰ Papur Pwyllgor: FIN(3) 08-07 (p1a)
- ³¹ Cofnod y Trafodion: Y Pwyllgor Cyllid 27 Tachwedd 2007
- ³² Cofnod y Trafodion: Y Pwyllgor Cyllid 27 Tachwedd 2007

Annex: Representations and recommendations made by other Assembly Committees

Equality of Opportunity Committee

Pwyllgor Cyfle Cyfartal

Alun Cairns AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Cardiff Bay
Cardiff
CF99 1NA

16 November 2007

Dear Alun

At its meeting on 8 November, the Equality of Opportunity Committee considered the draft budget proposals 2008-09 and would wish to make the following recommendations:

- The draft budget should reflect the Welsh Assembly Government's commitment to deliver improvements to services for disabled young people. The Committee highlighted the additional £21m received from HM Treasury and would urge the Government to ensure this additional resource is used to implement the recommendations of the previous Committee's review of service provision for disabled young people.
- The Welsh Assembly Government should be tracking its resources to make sure that its commitment to mainstreaming equality is delivered and the findings of the gender budgeting pilots to assess the level of equity in financial allocations could provide a mechanism for doing this.
- The Welsh Assembly Government should monitor local authorities to ensure that the additional 1.5% being provided to them every year to meet their equal pay commitments is being used for that purpose.

Whilst Members accepted the constraints of the budget process this year concern was expressed at the short timescales. Members agreed that in future years they would want to have the opportunity to put forward their priorities in order to influence the Government's thinking before the detail of the budget is agreed.

The Committee also raised a number of issues relating to the detail of the budget, which I will be writing separately to the Minister for Social Justice and Local Government about.

Ann Jones
Chair, Equality of Opportunity Committee

**Communities and Culture
Committee**

**Pwyllgor Cymunedau a
Diwylliant**

Alun Cairns AM
Chair of Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Cardiff Bay
Cardiff
CF99 1NA

19 November 2007

Dear Alun,

Report on Draft Budget

In accord with Standing Order 27.3, I attach a report on the scrutiny of the Minister for Heritage concerning the draft budget.

My Committee will carry out similar scrutiny of the Minister for Social Justice and Local Government and the Deputy Minister for Housing before the end of the month. A report will be laid before the Assembly and I will send you a copy.

Yours sincerely,

Janice Gregory AM
Chair, Communities and Culture Committee

Y Pwyllgor Cymunedau a Diwylliant

Adroddiad i'r Pwyllgor Cyllid ar y Gyllideb Ddrafft

Cefndir

Mae Rheol Sefydlog 27.3 yn nodi:

“Caiff pwyllgorau heblaw'r Pwyllgor Cyllid ystyried cyllideb ddrafft y llywodraeth a chyflwyno argymhellion i'r Pwyllgor Cyllid yn ei chylch heb fod yn hwyrach na phythefnos ar ôl iddi gael ei gosod gerbron y Cynulliad.”

Ar 14 Tachwedd 2007, bu'r Pwyllgor yn holi'r Gweinidog dros Dreftadaeth, Rhodri Glyn Thomas AC, am y rhan honno o'r gyllideb ddrafft sy'n dod o fewn ei bortffolio ef. Nid oedd y Gweinidogion perthnasol eraill ar gael ar yr adeg honno ond mae'r Pwyllgor yn bwriadu holi'r Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth Leol, Dr Brian Gibbons AC, a'r Dirprwy Weinidog - Tai, Jocelyn Davies AC, ar 28 Tachwedd a gosod adroddiad gerbron y Cynulliad.

Mae'r adroddiad hwn yn unol â Rheol Sefydlog 27.3 ac mae'n canolbwyntio ar adrannau Treftadaeth (Diwylliant, y Gymraeg a Chwaraeon) y gyllideb ddrafft. .

Pwyntiau Allweddol

Mae'r Pwyllgor:

- Yn croesawu'r £36 miliwn ychwanegol ar gyfer diwylliant, y Gymraeg a chwaraeon dros y tair blynedd nesaf.
- Yn nodi nad arian ychwanegol yn y gyllideb yw'r £13.5 miliwn i dalu dyledion Canolfan Mileniwm Cymru fel y cyhoeddwyd yn natganiad y Gweinidog ar 7 Tachwedd ond daw o ganlyniad i danwario yn y blynyddoedd blaenorol.
- Yn croesawu'r £2.5 miliwn bob blwyddyn ar gyfer gwariant refeniw ar Ganolfan Mileniwm Cymru.
- Yn croesawu'r £2.5 miliwn ar gyfer gweithgareddau y tu allan i Gaerdydd a nododd ei fod yn cynnwys £1.5 miliwn i weithredu argymhellion Adolygiad Stephens a £1.0 miliwn ychwanegol ar gyfer theatr genedlaethol Saesneg – ond mae'n nodi mai i flynyddoedd 2 a 3 yn unig y mae'r elfen ddiwethaf hon yn berthnasol. Ym mlwyddyn 1 dim ond £250,000 fydd ar gyfer theatr Saesneg; i adlewyrchu'r ffaith na fydd y sefydliad mewn sefyllfa i dynnu'r swm llawn i lawr, gan fod aelodau allweddol o staff eto i'w penodi.

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- Yn nodi bod y Gweinidog yn aros am ganlyniad adolygiad o'r diwydiant argraffu Cymraeg a'i fod yn edrych ymlaen at drafod argymhellion yr adolygiad hwn gyda'r Gweinidog.
 - Yn croesawu'r arian a ddyrannwyd ar gyfer ailwampio llyfrgelloedd, sydd i'w ddsbarthu trwy CyMAL.
 - Yn nodi sicrwydd y Gweinidog y bydd digon o arian yn y gyllideb, dros y pedair blynedd nesaf, i ariannu'r ymrwymadau diwylliant a threftadaeth yn nogfen 'Cymru'n Un'.
 - Yn nodi nad oedd y Gweinidog eto mewn sefyllfa i ddweud faint o arian a fyddai ar gael ar gyfer yr Ardd Fotaneg Genedlaethol a'i fod yn edrych ymlaen at gyhoeddiad ar y mater yn y dyfodol agos.
 - Yn nodi'r ymrwymiad i sefydlu casgliad Cymru gyfan o hanes pobl a bod CyMAL yn aros am ymatebion i ymgynghoriad ar y mater hwn. Mae'r Pwyllgor yn edrych ymlaen at gyhoeddiad ar y mater hwn maes o law.
 - Yn croesawu'r £13.5 miliwn i annog chwaraeon elitaidd yng Nghymru a hefyd y bwriad i groesawu gemau ysgolion y DU i Gymru yn 2009.
 - Yn nodi pwysigrwydd darparu digon o arian, tua £12 miliwn yng nghyllideb Bwrdd yr Iaith Gymraeg, ar gyfer cyfieithu a meithrin dwyieithrwydd y tu allan i'r Cynulliad (er enghraifft, yn amrywiol sefydliadau'r Undeb Ewropeaidd) ac mae'n bwriadu ymchwilio i'r mater hwn ymhellach gyda'r Gweinidog mewn cyfarfod dilynol.

Casgliad

Mae'r Pwyllgor yn weddol fodlon â'r arian a ddyrannwyd yn y gyllideb ddrafft ar gyfer gweithgareddau o fewn portffolio'r Gweinidog dros Dreftadaeth.

Rural Development Sub-committee

Report on the Rural Affairs Draft Budget for 2008/09

The Sub-committee reports to the Finance Committee as follows—

Introduction

1. The Sub-committee has considered the spending plans in the Welsh Assembly Government Rural Affairs portfolio as set out in the *Draft Budget Proposals 2008/09* and associated documents.
2. The Sub-committee's scrutiny of the *Draft Budget Proposals 2008/09* was limited to one committee meeting, due to tight deadlines within the budget process and the requirement for sub-committee reports to be agreed by the parent committee before publication. The scrutiny session took place on 8 November 2007, when the Sub-committee took evidence from Elin Jones AM, Minister for Rural Affairs, Huw Brodie, Director of the Department of Rural Affairs, Rory O'Sullivan, Head of the Countryside Policy Division, Norma Barry, Head of Food and Market Development Division, and Sian Andrews, Rural Affairs and Heritage Unit.

Issues raised in evidence

3. In taking evidence from the Minister, the Sub-committee sought clarification and further details on the following issues:
 - The future of the *Welsh Ewe Genotyping Scheme*;
 - Sufficiency of the level of expenditure identified in the *TB Slaughter, Payments, Costs and Receipts* budget expenditure line, details of any contributions made by the UK Government and availability of funding from reserves for an expected increase in demand;
 - Potential adequacy of the level of expenditure allocated for *TB eradication*, given the Assembly Government's TB eradication programme is still being developed;
 - Reductions in the budget expenditure line for *Sheep Compensation Revenue*;
 - The source of the monies from the current compensation packages relating to the *Foot and Mouth Disease* outbreak and any provision for similar compensation measures in 2008/09;
 - Evaluation of how the extra £1 million for marketing and promotion of Welsh products was spent;
 - Status of the Draft Rural Development Plan for Wales and likely approval date;

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- Activities included in the budget expenditure line for *Research and Evaluation*, including those activities that are to benefit from the increase in funding planned for 2008/09;
 - Lack of transparency and clarity of presentation within and across the budget expenditure lines relating to *Tir Cymru*;
 - The unspent balance on accumulated *Voluntary Modulation*, the timescale in which to spend it and on what it is to be spent;
 - Use of the increased expenditure of £6.9 million on *Single Payment Administration Revenue* on an upgraded Information Technology system to ensure timely and accurate payments to farmers;
 - Implementation, funding and development of the *Young Entrant Scheme* in 2010/11;
 - Projects funded under the Rural Communities budget expenditure line and issues surrounding Farming Connect;
 - Schemes funded under the *Promoting Welsh Food* Budget, arrangements between the Department of Economy and Transport and Department of Rural Affairs in relation to *Food Industry and Support* ; and
 - Increases in the budget expenditure line for the Forestry Commission Wales.
4. In addition, the Minister highlighted the budget implications of the rural affairs priorities contained in the One Wales agreement.

Written clarification requested

5. During the evidence session, the Minister agreed to provide the following further information, however, due to tight timescales was unable to provide it in time for the preparation of this report:

- A detailed breakdown of the spending provided by DEFRA on animal health in Wales;
- Clarification as to whether the current gamma-interferon testing was included within the Welsh Assembly Government or DEFRA budget;
- Details of the types of projects funded through the research and evaluation budget expenditure line; and
- An explanation and breakdown of the figures in the Tir Cymru budget.

Recommendations

6. Whilst the Sub-committee is generally satisfied with the content and allocation of expenditure within the Rural Affairs Draft Budget 2008/09, it is disappointed in the lack of clarity and transparency within some of the budget expenditure lines. **In order to assist in effective scrutiny in future, the Sub-committee recommends that future**

draft budget proposals are more clearly presented and appropriate notes of explanation of the content of budget lines are provided.

7. The Sub-committee highlighted that a large proportion of the rural affairs budget stems from the Rural Development Plan (RDP) which is currently awaiting approval by the European Commission. **The Sub-committee therefore recommends that contingency plans are put into place to ensure that any shortfall is covered should the EC decide not to approve the RDP in its entirety.**

8. The Sub-committee expresses concern as to the basis on which levels of expenditure were allocated to the TB eradication programme, a commitment in the *One Wales* agreement, because of the lack of a TB eradication strategy. **The Sub-committee therefore recommends that the final strategy should contain detailed costings and that the budget allocation should be revisited if the amounts allocated prove to be inadequate.**

9. The Sub-committee notes that spending provided by DEFRA is not contained within the Draft Budget Proposals 2008/09 or associated documents. **The Sub-committee therefore recommends that, for ease of scrutiny, a note detailing DEFRA spending within the rural affairs portfolio is provided with future draft budget proposals.**

**Y Pwyllgor Iechyd, Lles a
Llywodraeth Leol**

**Health, Wellbeing and Local
Government Committee**



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Alun Cairns AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
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Our ref: HWLG(3)08-07

19 November 2007

Dear Alun

**DRAFT BUDGET - RECOMMENDATIONS FROM THE HEALTH, WELLBEING AND
LOCAL GOVERNMENT COMMITTEE**

The Health, Wellbeing and Local Government (HWLG) Committee considered the draft budget at its meeting on 14 November. I am now writing with the Committee's recommendations to the Finance Committee under Standing Order 27.3.

General Observations

Timescale

Standing Order 27.3 allows only 2 weeks for Committees to consider the draft budget from the date on which it was laid. This gives very little scope for Committees to look at the budget in any detail.

The Committee appreciates that the establishment of the Finance Committee suggests a somewhat different approach to budget scrutiny in the third Assembly. The Committee recognises the particular difficulties caused by the timing of the Comprehensive Spending Review announcement this year.

The Committee was grateful that the Minister for Health and Social Services was able to attend its meeting on 14 November to answer questions from Committee Members. The Minister for Social Justice and Local Government was also able to answer some questions when he came to the Committee on 7 November for a general scrutiny session.

However, total proposed expenditure on Health and Social Services and on Social Justice and Local Government amounts to £9.9 billion out of a total Assembly budget of £14.4 billion 2008-09. The bulk of this expenditure falls within the Committee's remit. Despite this, the Committee has had only two limited opportunities to question Ministers on the proposals.

The Committee believes that the time allowed for it to consider the draft budget on this occasion was inadequate to allow anything other than the most cursory consideration of the proposals. In the light of our concerns, the Committee *recommends* that the Finance Committee looks at the timescale for scrutiny Committees to consider the budget in future years. You may be interested to know that the Committee also agreed that I should write to the Leader of the House drawing these concerns to his attention.

Alignment of Budget with *One Wales* Agreement

It is not always evident how the objectives in the *One Wales* agreement align with the expenditure provision made in the draft budget. The Committee appreciates that time constraints may have made it difficult this year to fully align the *One Wales* agenda with the presentation of the draft budget. The Committee *recommends* that, to ensure transparency and facilitate proper scrutiny of the budget, budgets are presented in a way that makes it as clear as possible how *One Wales* policies are to be funded.

Strategic Capital Board

Committee Members were unclear on how the proposed Strategic Capital Board would operate and expressed concern that smaller projects, or other worthwhile projects that were not fully developed at the start of the period, could be squeezed out of consideration for funding. The Committee *recommends* that the Finance Committee consider this issue in the round.

Areas of Expenditure

Set out below are the areas where Committee Members have expressed concerns about budget provision or are unclear on the precise nature of particular spending proposals. These need to be read in the context of our general comments about the limited time available for the Committee to consider the budget.

I should also make it clear that the issues highlighted are not necessarily of concern or of equal concern to all Members of the Committee but it *recommends* that the Finance Committee draw these issues to the attention of the Assembly in its report on the draft budget.

Portfolio of the Minister for Social Justice and Local Government

Council Tax Reduction Scheme for Pensioners

Committee Members expressed concern that the funding proposed, £4m in 2009-10, would not offer significant additional help to pensioners to help with Council Tax.

Local Government Funding

The Committee was unable to consider the Local Government Settlement as it was not announced until after the Committee's consideration of the draft budget. (The detailed Local Government settlement was not published until 14 November, thereby not allowing an opportunity for the Minister to answer questions on the settlement.)

Portfolio of the Minister for Health and Social Services

Research and Development

Committee Members expressed concern that the funding line for Research and Development is not planned to grow in real terms over the 3 year period covered by the draft budget. The Committee was also aware of concerns expressed by a number of senior clinicians in a letter to the First Minister about the proposed level of funding.

The Minister was able to explain that funding issues cut across a number of portfolios and that discussions between ministers on further allocations for medical research and development are continuing in the context of the proposed strategic capital fund. However, this in itself also gave rise to concerns about the transparency of the draft budget in this respect and the adequacy of the funding available.

Local Health Board (LHB) and NHS Trust Budgets

Detailed budgets allocations for LHBs and Trusts will not be available until later in the year. However Members expressed concern at the implications of the draft budget line for Local Health Boards and NHS Trusts. Members suggested that the proposed budget provision for these bodies meant at best a funding standstill in real terms. The Minister explained that efficiency savings should also be taken into account when considering the funding available. Detailed budget allocations had not been finalised nor had the level of efficiency savings that would be required.

Cost of Drugs

Concern was expressed that the cost of drugs was not separately identified in the draft budget and that the relatively high cost of providing new drug treatments, together with planned new initiatives such as the immunisation programme for the human papilloma virus (HPV), would put further pressure on LHB and NHS Trust budgets. On the proposed HPV immunisation programme, the Minister was confident that sufficient money was available to deliver the proposed programme at a sufficiently high take up rate to ensure the programme was successful.

Cancer

Committee Members questioned the rationale, which they were told was to allow time to develop the policy, for a cut in expenditure in this area in 2008-09 and 2009-10 followed by a significant increase in 2010-11.

Mental Health

The proposed increases for Mental Health were welcomed although some reassurance was sought that the proposed level of funding was sufficient to meet needs. Child and Adolescent Mental Health Services (CAMHS) were mentioned as a particular area of concern although the Minister was able to point out that the draft budget contained proposals for an additional £5m for CAMHS.

Health Inequalities & Prevention

The continuation of the Inequalities in Health Fund for the next three years was welcomed although the balance between additional projects and the continuation of existing projects was questioned. The Minister was able to confirm that the budget proposals would allow for the funding of new projects.

Further information was also requested on how the *One Wales* commitment to invest £190 million in Public Health and health Improvement would be met.

Tobacco Control

It was noted that the proposed budget for Tobacco Control had been reduced.

School Nurses/Not for Profit Nursing Homes

The *One Wales* agenda supports the expansion of the school nursing service. It was not clear whether the money for this expansion will be found in the Health and Social Services budget or elsewhere. The Minister was able to confirm that funding in this area would come from the Health and Social Services, Education and Training BEL.

Social Services Capital

Concern was expressed that although £13.34 million had been made available for Social Services Capital Funding in 2007-08 no allocations have been made for subsequent years. The Minister explained that there was a very limited capital budget for her portfolio and that there would be a need to re-visit some areas before the final budget was laid. However, the Government would be able to honour all its commitments in this area.

National Strategy for Carers

The importance of adequate funding being provided for the strategy was noted.

Pooled Budgets

Concern was expressed at continuing slow progress in the pooling of budgets between Health and Social Services. The Minister shared this concern and felt that ultimately some form of ring-fencing might need to be considered if progress was to be made.

Cross-Border Services North Wales

Concern was expressed that the amount of funding available for cross-border services, particularly in North Wales, was adequate. The Minister indicated that funding was in place for these services

Social Services

An assessment of the implications of the proposed budget for Social Services was difficult without more detailed information on the funding available to local authorities through the local government settlement.

Palliative care

Clarification was sought on the amount of funding available over the course of the budget for palliative care.

Conclusion

The Health, Wellbeing and Local Government Committee has invited the Minister for Health and Social Services and the Minister for Social Justice and

Local Government to give further evidence to the Committee at its meeting on 28 November. This is outside the timescale allowed in Standing Order 27.3 and is unlikely to allow the Finance Committee time to give consider any conclusions before it has to report under Standing Order 27.4. The Committee may, therefore, decide to report direct to the Assembly on this part of our consideration of the draft budget.

I would be grateful if you could draw this letter to the attention of Members of the Finance Committee. A copy of this letter goes to Edwina Hart, Brian Gibbons, Carwyn Jones and the Presiding Officer for information.

Yours sincerely

Jonathan Morgan

Chair

Pwyllgor Menter a Dysgu
Enterprise and Learning Committee
Bae Caerdydd / Cardiff Bay
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Alun Cairns AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
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19 November 2007

Annwyl Alun

Report of consideration of the Welsh Assembly Government draft budget 2008-09

Under Standing Order 27.3, the Enterprise and Learning Committee considered the Welsh Assembly Government's draft budget for 2008-09 at its meeting on 14 November.

A copy of the Committee's report is attached at Annex 1.

Yn gywir iawn,

Gareth Jones AM
Committee Chair

Enterprise and Learning Committee

Report of consideration of the Welsh Assembly Government Draft Budget 2008-09

Background

1. In accordance with Standing Order 27.3, the Committee considered the draft budget at its meeting on 14 November. It scrutinised Jane Hutt AM, Minister for Children, Education, Lifelong Learning and Skills, and Ieuan Wyn Jones AM, the Deputy First Minister and Minister for the Economy and Transport. The Ministers also provided written evidence, which can be found on the Committee's website at: <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third-assem/bus-committees-third-els-home.htm>
2. A short report of the Committee's consideration and recommendations follows.

General Comments

3. The Committee felt that the time constraints laid down in Standing Order 27.3 restricted the opportunity for Scrutiny Committees to contribute constructively to the budget process. **We recommend that the Finance Committee exploits Standing Order 14.2(ii) to report on the timetable for consideration of budget proposals and recommend changes for future budget rounds.**

Issues raised with the Minister for Children, Education, Lifelong Learning and Skills

4. The Minister welcomed the opportunity to present her budget and spending priorities to Members noting that she would consider technical changes as a result of the Committee's scrutiny.
5. In scrutinising the Minister, the Committee sought clarification and further details on the following issues:
 - 5.1 The presentation of information in her written evidence. Members were unhappy that figures did not take inflation into account and therefore did not represent real terms increases and decreases. **We recommend in future years when Ministers present budget information to Committee, that figures represent real term increases and decreases taking inflation into account and calculate changes on a year-on-year basis rather than cumulative increases from the current year's baseline.**
 - 5.2 The increases in the Cymorth BEL.
 - 5.3 The impact on the budget of the inclusion of funding for student top-up fees.

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- 5.4 The decrease in the Children Commissioner for Wales BEL of 3.7 per cent for 2008-09.
 - 5.5 Funding allocated to mainstreaming equality within the portfolio (See below – Cross-cutting issues).
 - 5.6 Whether the youth strategy would be fully funded and how funding would be spent.
 - 5.7 The decrease in RAISE funding to less than £2 million by 2010-11. **We recommend that the Finance Committee closely monitors allocation to the successor school effectiveness stream in future years.**
 - 5.8 The allocation of capital funding for schools – including funding the backlog of school repairs - further education and higher education and whether funding for the youth service was included. **We recommend that the Minister’s efforts to secure unclaimed assets funding for the youth service are monitored and evaluated.**
 - 5.9 The provision of funding to Welsh-medium higher education.
 - 5.10 Whether the indicator-based assessments were targets or notional spend.
 - 5.11 Whether capital spend would be sufficient to build two new university campuses in south-east Wales.
 - 5.12 Whether funding for work-based learning would be sufficiently robust to deliver the skills agenda, especially in light of the imminent publication of the Webb review.
 - 5.13 Given the overall decrease in additional learning needs funding, whether Measures pursuant to legislative competence would be fully funded. **We recommend that, in light of the decrease in additional learning needs provision, the Finance Committee, under Standing Order 14.2(i), reports in due course on the funding implications of Measures pursuant to additional learning need legislative competence.**

School Funding

6. Members had a number of concerns relating to school funding, including RAISE and indicator-based assessments. These would be pursued further at a future scrutiny session, when the Committee would monitor the Government’s progress in implementing the recommendations of the former Committee on School Funding. (The meeting is scheduled for 21 November). **The Committee undertakes to draw any concerns it may have on school funding to the attention of the Finance Committee.**

Further information

7. The Minister undertook to provide the Committee with the following additional information, which due to time constraints laid down in Standing Orders is not included:

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- A breakdown of the budget available for Training Regulation Qualifications for Further Education tutors.
 - Details on the support provided for teachers with regard to employer pension contributions.

Issues raised with the Deputy First Minister and Minister for the Economy and Transport

8. In scrutinising the Minister, the Committee sought clarification and further details on the following issues:
 - 8.1 Whether a 3.4 per cent increase in the economy and transport budget was a disappointing outcome, given the increase of 5.6 per cent in the overall Assembly budget.
 - 8.2 Given the high inflation pressures on the construction industry, whether the Minister's infrastructure priorities were robust and whether convergence funds would be sufficient to help deliver the programmes.
 - 8.3 The flat line of expenditure on walking and cycling, given the *One Wales* commitment to sustainable transport. **We recommend that the Finance Committee assesses whether the funding for sustainable transport for walking and cycling in both the Minister for the Economy and Transport and the Minister for Sustainability budgets is sufficient to deliver the *One Wales* commitment.**
 - 8.4 Whether there had been a decrease in the provision for match funding. **We recommend that when convergence funding becomes operational, that the Finance Committee and the soon to be elected Structural Funds Subcommittee closely monitors the use of match funding to 2013 from the Welsh Assembly Government and other sources and the use of the pot of last resource that has been transferred to the Finance Minister's portfolio.**
 - 8.5 Funding for improvements to rail infrastructure, and in particular the upgrade of Queen Street Station, Cardiff. The Committee were reassured that the rail capital budget would be sufficient to fund this scheme. **We recommend that the Finance Committee monitors provision of supplementary funding provided, if needed, by the Welsh Assembly Government to upgrade Queen Street Station.**
 - 8.6 Whether the new Single Investment Fund for business support will deliver for small and medium-sized enterprises as well as larger projects. **We recommend that the Finance Committee consider the evaluation of the pilot currently under way.**
 - 8.7 Whether there was sufficient funding to deliver the Heads of the Valleys trunk road improvement and the road improvements required for future investment at DARA,

St Athan, given the Minister's priorities for roads. **We recommend that the Finance Committee examines further which trunk road schemes are included in the trunk road capital budget and which will require successful bids to the Strategic Capital Investment Board.**

- 8.8 Whether provision for the promotion and deliver of road safety schemes was adequate.
- 8.9 Whether the *One Wales* commitment on employment rates would be met and whether there was additional funding for the Labour market strategy. **We recommend that the Finance Committee further explores the costing of commitments in *One Wales* on employment and the labour market.**
- 8.10 Whether the Minister's department is delivering on the efficiency savings as set out in *Making the Connections*. **We recommend that the Finance Committee monitors the ongoing impact of the *Making the Connections* programme.**

Further information

9. The Minister undertook to provide the Committee with the following additional information, which due to time constraints laid down in Standing Orders is not included:
- Details on the funding responsibilities of the Minister for Economy and Transport and the Minister for Sustainability and Housing with regard to sustainable transport, in particular walking and cycling.
 - Clarification on how the budget addresses provisions to develop childcare and what support is available for professionals working through the medium of Welsh.

Cross-cutting issues

10. Both Ministers placed considerable emphasis on future cross-departmental working in delivering the *One Wales* commitments. In particular, the Deputy First Minister referred to research and development and the potential of closer working between higher education and business in Wales. He looked forward to collaborating with the Minister for Children, Education, Lifelong Learning and Skills in delivering this cross-cutting agenda.
11. Owing to changes in portfolios for Welsh Ministers, funding for tourism is now allocated to two Main Expenditure Groups (MEGs), namely Heritage and Economy and Transport. Funding for the previous Section 4 investment grants will be dealt with under the new Single Investment Fund. The Minister assured the Committee of close co-operation between his department and that of the Minister for Heritage in overseeing tourism expenditure. **We recommend that the Finance Committee monitors the co-ordination of tourism expenditure in the two MEGs to ensure that the tourism industry in Wales is fully and appropriately funded, given its potential to create and underpin social regeneration.**
12. Members sought clarification on provision for migrant workers. The Minister for Children, Education, Lifelong Learning and Skills referred to the increase in the

minority ethnic achievement grant. **We recommend that the Finance Committee asks the Equality of Opportunity Committee to monitor the impact of this funding.**

13. Both Ministers were questioned on the levels of funding to mainstream equality in their portfolios and whether they were monitoring the impact of funding. **We recommend that in future, Ministerial reports should explain how budgets will contribute to delivering Welsh Assembly Government commitments to equality.**
14. Members were informed that monitoring of equality issues is part of the EU programmes and will also be part of the new Single Investment Fund.

Summary of recommendations

- **We recommend that the Finance Committee exploits Standing Order 14.2(ii) to report on the timetable for consideration of budget proposals and recommend changes for future budget rounds.**
- **We recommend that in future years when Ministers present budget information to Committee, figures represent real term increases and decreases taking inflation into account and calculate changes on a year-on-year basis rather than cumulative increases from the current year's baseline.**
- **We recommend that the Finance Committee closely monitors allocation to the successor school effectiveness stream in future years.**
- **We recommend that the Minister's efforts to secure unclaimed assets funding for the youth service are monitored and evaluated.**
- **We recommend that, in light in the decrease in additional learning needs provision, the Finance Committee, under Standing Order 14.2(i), reports on the funding implications of Measures pursuant to additional learning needs legislative competence.**
- **The Committee undertakes to draw any concerns it may have on school funding to the attention of the Finance Committee.**
- **We recommend that the Finance Committee assesses whether the funding for sustainable transport for walking and cycling in both the Minister for Economy and Transport and the Minister for Sustainability budgets is sufficient to deliver the *One Wales* commitment.**
- **We recommend that when convergence funding becomes operational, that the Finance Committee and the soon to be elected Structural Funds Sub-Committee closely monitors the build up of match funding to 2013 and the use of the pot of last resource that has been transferred to the Finance Minister's portfolio.**
- **We recommend that the Finance Committee monitors provision for supplementary funding provided, if needed, by the Welsh Assembly Government to upgrade Queen Street Station.**

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- **We recommend that the Finance Committee consider the evaluation of the pilot for the new Single Investment Fund currently under way.**
 - **We recommend that the Finance Committee examines further which trunk road schemes are included in the trunk road capital budget and which will require successful bids to the Strategic Capital Investment Board.**
 - **We recommend that the Finance Committee further explores the costing of commitments in *One Wales* on employment and the labour market.**
 - **We recommend that the Finance Committee monitors the ongoing impact of the *Making the Connections* programme.**
 - **We recommend that the Finance Committee monitors the co-ordination of tourism expenditure in the two MEGs to ensure that the tourism industry in Wales is fully and appropriately funded, given its potential to create and underpin social regeneration.**
 - **We recommend that the Finance Committee asks the Equality of Opportunity Committee to monitor the impact of the minority ethnic achievement grant.**
 - **We recommend that in future, Ministerial reports should explain how budgets will contribute to delivering Welsh Assembly Government commitments to equality.**

Sustainability Committee
Report on the Sustainability Draft Budget for 2008/09

The Committee reports to the Finance Committee as follows—

Introduction

1. The Committee has considered the spending plans for sustainability priorities of the Welsh Assembly Government as set out in the *Draft Budget Proposals 2008/09* and associated documents.
2. The Committee's scrutiny of the *Draft Budget Proposals 2008/09* took place on 15 November 2007, when it took evidence from Jane Davidson AM, Minister for Environment, Sustainability and Housing, Matthew Quinn, Director, Department for Environment, Sustainability and Housing (DESH), Georgina Haarhoff, Head of Corporate Strategy Unit, DESH, and Jasper Roberts, Head of Waste and Local Environment Quality Unit.

Issues raised in evidence

3. In taking evidence from the Minister, the Committee sought clarification and further details on the following issues:
 - *The proportion of committed expenditure within the sustainability Draft Budget 2008/09;*
 - *Allocation of funding to local authorities for the Tidy Town initiative and Keep Wales Tidy;*
 - *The influence of equality of opportunity considerations on the allocation of resources within the sustainability Draft Budget 2008/09;*
 - *Rationale for a reduction in the waste strategy capital budget;*
 - *Funding of large capital budgets across all portfolios through a Strategic Capital Investment Fund within the responsibility of the Finance Minister;*
 - *Proposed spending plans for the forthcoming Waste Strategy;*
 - *Allocation of funding to local authorities for investment in recycling infrastructure, rather than for supporting them to meet the significant increases in landfill tax;*
 - *Changes in the approach to the budget on flood risk management and water revenue;*
 - *The potential to access additional funding from convergence funding for flood and waste measures and the commitment of match funding for this purpose;*
 - *Increases in revenue funding for both the Planning Inspectorate and the Climate Change and Environmental Quality budget expenditure lines;*

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- *Budgetary implications of Legislative Competence Orders in relation to environmental quality;*
 - *The budgetary changes in relation to the Countryside Council for Wales; and*
 - *The new budgetary expenditure lines on Access Revenue and the Home Energy Efficiency Scheme.*

Written clarification requested

4. During the evidence session, the Minister agreed to provide the following further information, however, due to tight timescales was unable to provide it in time for the preparation of this report:

- *Clarification of the budget lines to be used as match funding for the purposes of accessing convergence funding;*
- *Explanation of the increase in the budget of the Planning Inspectorate;*
- *An explanatory note on differences highlighted between the figures used by officials at Committee and those used by the Committee Members; and*
- *Details of the budget of the Countryside Council for Wales (CCW), including information on the movement of funding across budget expenditure lines for CCW.*

5. In addition, the Committee is concerned about the apparent reliance on convergence funding of £51 million to supplement the budget on flood and waste. It is also concerned about the apparent confusion regarding how much of the match funding which is required for convergence bids is committed within the budget and where it lies. **The Committee would like to seek reassurance that the projects contained in the bid for convergence funding will go ahead if all or part of the funding is not approved.**

6. Prior to the Committee meeting, there was some concern as to whether the Minister would answer questions on the Housing section of her portfolio, as the Deputy Minister for Housing was going to be scrutinised by a different committee. **The Committee feels strongly that any scrutiny committee should be able to scrutinise any Minister on issues they consider relevant to their remit.**

Recommendations

7. The Committee is disappointed in the lack of clarity and transparency within some of the budget expenditure lines relating to sustainability. **In order to assist in effective scrutiny in future, the Committee recommends that future budget proposals are clearly presented and/or appropriate notes of explanation are provided.**

8. The Committee is concerned that large capital projects across all portfolios are now to be funded through bids to the Strategic Capital Investment Fund, administered

by the Finance Minister. **The Committee recommends to the Finance Committee that it explores further with the Finance Minister how the Strategic Capital Investment Fund will be allocated and whether there are sufficient monies in the Fund to meet the needs of all the departments who will be bidding for capital funding.**

9. Whilst the Committee notes that reductions in the budgets of some bodies, such as the National Parks, local authorities and the Countryside Council for Wales could in part be offset by efficiency savings, it is concerned as to the potential impact on delivering policy commitments. **The Committee recommends that the Welsh Assembly Government monitors closely the impact of these budget reductions to ensure there is no equivalent reduction in the quality of services of provided.**

10. Whilst the Committee recognises that those local authorities that are performing poorly against waste targets should not be rewarded, it expresses concern that there is no provision within the budget to assist local authorities in meeting significant rises in landfill tax. **The Committee therefore recommends that the proposed investment in infrastructure for recycling is implemented promptly to ensure that local authorities are not disadvantaged by landfill tax increases.**

11. There was some confusion at the meeting between the figures being used by officials and those being used by the Members. **In order to avoid further confusion, the Committee recommends that, when presenting the draft budget in future, it would aid the scrutiny process if the year on year changes are identified as well as the changes in planned expenditure.**

12. The Committee expressed its disappointment in the length of time it had to question the Minister due to the time constraints of the budget process. **The Committee therefore recommends that the timetable for the budget process in future years be reviewed to allow Scrutiny Committees sufficient time to conduct meaningful scrutiny of the relevant sections of the draft budget.**