Budget Improvement Plan
Introduction

As part of the 2020-21 Budget, we published a Budget Improvement Plan for the first time. The Plan outlined our vision, including short-term and medium-term ambitions over the next five years, to improve the budget process using the Well-being of Future Generations Act (WFG Act) and the five ways of working to drive continuous improvement.

We have committed to publishing the Plan annually, to recognise the ongoing nature of driving and sustaining longer term change. Our overall aim is that these planned improvements to the budget process will result in greater transparency in the annual Budget documentation to demonstrate how the Act has influenced budget decisions.

The first Plan outlines the steps we have already taken in our journey to embed the Act in our approach to the Budget. This updated Plan shows how we have built, or plan to build, on this work in future years, including the measures we have undertaken during the current budget cycle.

In publishing the Plan, it is of course against the backdrop of the pandemic. Responding to, and mitigating the impacts, of the crisis has been at the forefront of the Government's agenda this year. We have seen unprecedented levels of Government investment to support public services and the economy through this crisis. Inevitably, with the focus on the crisis, we have not been able to progress all of the measures we signalled in last year's Plan, including the establishment of the Budget Improvement Oversight Group. We have started a conversation with our stakeholders about the future shape and role of the Group and will continue those discussions into the New Year.

Despite the challenging circumstances, we have made progress on a number of the areas identified in the Plan. Pages 4 and 5 of this Plan includes a more detailed summary of our progress made.

Given the cross cutting nature of the annual Budget process, the Plan continues to reflect our ambitions for different aspects of the Budget.

These are summarised below:
1. Spending Decisions – To improve existing processes across Welsh Government that identify and develop spending proposals, improve capabilities to prioritise decisions that more clearly align with the well-being goals and ways of working and to explore opportunities to improve longer-term planning.

- Embedding the Act in budget decisions – To explore how we can more clearly demonstrate the ways in which the Act is shaping high-level spending priorities, and our medium-term plans to align the annual Budget process and ongoing budgeting activities across the wider organisation to take forward these improvements. This will align with the other work areas which capture the more detailed actions we will take towards embedding the Act.
- Longer-term financial planning – To identify how we can further embed longer-term financial planning into annual budget preparations drawing on sources such as the Future Trends Report and approaches such as scenario modelling.
- Prevention agenda – To demonstrate how we are taking forward the prevention agenda, building on the working definition agreed in 2018 with a focus on how we deploy our resources to support a shift in preventative activities.
- Responding to climate change and biodiversity – To review how we need to change our budgetary approaches to respond to the challenges of climate change; including minimising carbon impacts and increasing biodiversity, based on current and emerging evidence.
- Transparency of Budgetary data – To demonstrate our plans to publish financial data in more open and accessible formats to support its use.

2. Fiscal & Economic Analyses and Assessing Impact:

- Fiscal Analyses – To develop capability to understand the distributional impact of both public spending and taxation decisions.
- Economic Analyses – To continue to develop the Chief Economist’s report to reflect more fully the well-being goals, and developing Value for Money guidance, including an assessment of the recently revised Green Book to determine whether a Welsh Annex is needed to ensure the implications of the Act are fully reflected in the application of the guidance.
- Assessing Impact of budget decisions to improve outcomes – To improve our processes around decision-making on spending proposals to better link spending to outcomes. This includes work to revisit and clarify purpose of the Strategic Integrated Impact Assessment (SIIA) of the budget and the evidence-base underpinning it and exploring and developing a gender budgeting approach.

3. Infrastructure Planning – To improve how we consider and align strategic priorities and decisions on capital investment, noting the long-term nature of capital expenditure and the need for greater integration. We will use the opportunity presented by the successor to the current Wales Infrastructure Investment Plan (WIIP) to set out these priorities.

4. Supplementary Budgets – To continue to develop a more comprehensive account on significant allocations from reserves, learning from the approach to the supplementary budgets of 2020-21. We will consider developments occurring in other areas of the budget planning process and assess if, and how, these are appropriate for the supplementary budget process.

5. Welsh Taxes – To demonstrate how we are taking forward delivery under our tax policy framework aligned with our five tax policy principles. This area will explore how we can raise revenue to fund public services as fairly as possible. Tax should help deliver wider fiscal and policy objectives. We will ensure tax policy is simple, clear, progressive and stable, with legislative and administrative clarity and efficiency.

6. Tax and Budget engagement – To develop a strategic approach to engagement on the Budget, from raising awareness of public spending and taxation; engaging meaningfully with key stakeholders and individuals impacted by budget decisions to discuss and consider their views; and working collaboratively with stakeholders to shape improvements to spending and taxation proposals.

The conceptual diagram on the next page sets out the relationship between the different aspects of the annual Budget included in this Plan, and summarised above.
How does it all work together?

**Tax and Budget Engagement**

Annual Budget Setting and wider budgeting processes

**Funding**
- Welsh Taxes
- Block Grant

**Expenditure**
- Spending Decisions
  - Embedding Act in Spending Decisions
  - Prevention Agenda
  - Responding to Climate Change and Biodiversity
  - Longer-term Financial Planning
  - Transparency of Budgetary Data

**Economic Analyses**
**Fiscal Analyses**
**Assessing Impact**
**Infrastructure Planning**
Update on progress against planned improvements during 2020

A summary of progress against planned improvements during this period is provided below. Despite the challenging context during the year, we have been able to make good progress in a number of areas. Where we have not been able to make progress at the pace we had envisaged because of the crisis, these ambitions continue to be reflected in our future Plan, albeit with adjusted timescales.

Spending Decisions

- We strengthened the internal decision-making process to review the high-volume of requests for funding from central reserves to ensure integration of decisions to maximise the benefits across government and the well-being goals, and seeking to mitigate against negative longer-term impacts. A significant focus of these actions have been to prevent harm to the most disadvantaged and prevent wider negative impacts on the people of Wales and the wider economy. These decisions were guided by the five ways of working of the Act, working collaboratively with partners to respond to the impacts.
- Preparations for the 2021-22 Draft budget have been framed by Welsh Government’s priorities to protect health and jobs, build a greener future and create change for a more equal Wales. These priorities have also been influenced by Welsh Government’s published approach to Reconstruction in the wake of the pandemic. This approach has been shaped by a wider call for public views through a dedicated mailbox and through engagement with key stakeholders, resulting in over 2,000 submissions.
- We have progressed initial work to identify local authorities interested in taking forward a pilot of a Social Impact Bond model - an outcomes based investment model to address social issues - and procurement options are being explored.

Supplementary Budgets

- In publishing the First Supplementary Budget, we provided a comprehensive narrative of the significant allocations and reprioritisations of existing budgets and their impacts, to enhance transparency given the unprecedented scale of changes to the Welsh budget.
- We also took the unusual step of publishing an ‘extra’ Second Supplementary Budget on 20 October, several months earlier that the normal timetable of early 2021, in recognition of the importance of providing transparency around the financial implications of the crisis. Both these developments exceeded the ambitions originally envisaged in this Plan.

Infrastructure Planning

- We have continued development of the successor to the Wales Infrastructure Investment Plan (WIIP) which has focussed on building the strategy around the four sustainable development principles of the WFG Act - to improve the economic, environmental, societal and cultural well-being of Wales. A Written statement on the approach to developing the WIIP successor has been published alongside the 2021-22 Draft Budget.

Welsh Taxes

- We have continued to progress our commitments and take opportunities to use our existing tax levers to benefit Welsh taxpayers and deliver wider Welsh Government policy objectives. We introduced a temporary reduction to the residential Land Transaction Tax rates on 27 July, raising the starting threshold from £180,000 to £250,000 resulting in an estimated 80 percent of Welsh homebuyers paying no tax on the purchase of their homes, to support the housing market’s recovery.
- We published the annual Tax Policy Work Plan on 29 September covering the period up to the Senedd Cymru elections in May 2021. A report on progress will be published closer to that time.
- We have also prioritised proposals for a vacant land tax in Wales with the UK Government to test the agreed mechanism for the devolution of tax competence. This has highlighted the urgent need to establish a fit for purpose process for the devolution of further tax competence.

Fiscal & Economic Analyses and Assessing Impact:

- By drawing on the available data and evidence, Welsh Government economists have played a central role in producing economic analysis and briefing on the evolving economic crisis related to both the pandemic and the transition to new trading relations with the European Union. This has included presentations to Cabinet and senior officials, the preparation of bespoke analysis and assessments set out in an internal Monthly Economic Report.
- We remain committed to reviewing our approach to assessing impacts. For the 2020-21 First Supplementary Budget, we presented an Annex summarising the disproportionate impacts of the pandemic. For the 2021-22 Draft Budget, we have presented information about the impacts of spending proposals as part of the main narrative. This is complemented by a summary evidence of the overarching impacts of the pandemic on society, alongside more-detailed case studies on the impacts of specific spending decisions, presented in the Strategic Integrated Impact Assessment (SIIA). We have also tested new approaches to how we can better assess budget impacts, described below:
- We have developed a distributional impact model for analysing public spending in Wales. This analysis focuses on the largest areas of devolved spending and provides a high level understanding of how progressive spending on these areas is. We have published our initial analysis as part of the 2021-22 Draft Budget package.
• We commissioned work to develop a pilot model to estimate greenhouse gas emissions connected to 2020-21 spending proposals. We published a summary in the Chief Economist’s Report, as part of the 2021-22 Draft Budget package. This will present the model’s outputs for Health budgets, the assumptions used and limitations of the approach. We intend to publish additional outputs as part of the Final Budget.

• We have continued work to take a ‘gender focussed’ approach for Welsh Government’s Personal Learnings Account (PLA) programme, to help identify and understand potential impacts on different groups, to improve how we prioritise and allocate resources. Monitoring of the pilot’s delivery highlighted that the flexibility of the PLA offer appealed to a wider range of people to develop skills in sectors with known gender biases. A formal evaluation of the programme will commence in 2021.

Tax and Budget engagement

• We held a virtual annual tax conference on 8 October to help promote the Welsh tax agenda. The agenda included presentations by external organisations such as the Office for Budget Responsibility and a session hosted by Demos on methods to raise awareness and engagement around tax.

• We developed and published a new interactive Welsh rates of income tax calculator on 15 December that illustrates how Welsh rates of income tax is spent on key public services in Wales.

• We have progressed our plans to evolve our approach to engaging with stakeholders to influence improvements to budget processes. In November, we re-convened the members of the Budget Advisory Group for Equality group to discuss and agree a proposal to evolve the group’s membership and terms of reference. This will become an official-chaired group to feed into improvements to budget processes, framed by the Budget Improvement Plan.

• We developed new communications activity in advance of publishing the 2021-22 Draft Budget to increase awareness of the Draft Budget, aiming to reach new audiences with simple narrative and an animation around how Welsh Government spends its money.

• We also produced a short film by the Minister for Finance and Trefnydd, and promoted this via social media channels in the week leading up to the 2021-22 Draft Budget publication.

• As part of the Draft Budget, we published and promoted a range of digital assets across Welsh Government, Welsh Treasury and departmental channels to communicate key Budget messages simply on the day of publication. This included an animation and a budget leaflet. We also developed a technical briefing and press notice to support engagement with key media stakeholders.
While we have not formally established the Budget Improvement Oversight Group as planned, we have had wider conversations with stakeholders about planned reforms to our stakeholder engagement approach. This will include greater focus and collaboration on improvements to budget processes, to support our wider plans to establish oversight of budget improvements (See 'Tax and Budget engagement' section for more detail). This focus will contribute to developing and testing improvements to budget processes and how this helps us ensure that the Well-being of Future Generations Act demonstrably underpins the Welsh Government's strategic spending priorities, including how this advances our equality objectives. This Budget Improvement Plan will provide the framework for the focus of the group, feeding into the programme of work from 2021 and beyond.

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Spending Decisions

Publication of second Low Carbon Delivery Plan 2021-26 which will contain defined actions and outline the actions we are taking as part of the allocation of the next financial budget.

Publication of a new Wales Infrastructure Investment Plan to be developed by drawing on a robust evidence base to integrate consideration of other essential benefits - including decarbonisation, and biodiversity – so that these major investments have the maximum positive impact on Wales’ wellbeing.

Set the level of the third carbon budget (2026-2030)

Consider approach in light of new administration and clarity on path of the pandemic and exit from the EU. Subject to the UK Government providing a multi-year settlement we will also explore longer term financial planning and taking forward actions in response to the climate change emergency.

Align financial and tax plans to push longer-term financial plans. Potentially work with stakeholders in producing shared longer term plans and how indicative forecasts could usefully be used. Look to see what lessons can be learnt from international stakeholders about how they undertake a longer horizon, particularly on revenue. These will need to be multi-year programmes and be built on lessons from previous year.

As well as working with a range of experts and governments, we have engaged with the HM Treasury led work on a Net Zero review. Continue to develop and publish second Low Carbon Delivery Plan 2021-2025 based on analysis of the UK Committee on Climate Change’s (UKCCC) advice received in May 2019 and further advice in 2020. This collaboration will be essential to influence and understand how the UK Government plans to use its levers, as well as influencing development of our own policies relating to financial and non-financial levers.

Commissioned work to develop a pilot model to estimate greenhouse gas emissions connected to 2020-21 spending proposals. Published a summary of this emerging work as part of the Chief Economist’s Report, alongside the 2021-22 Draft Budget package.

Continue to develop strength of current evidence base to provide assurance around value for money to support prioritisation of investment, building on the model developed. Review budgetary approaches against emerging evidence on decarbonisation and biodiversity, reviewing current spending plans to minimise carbon impacts and accelerating forward planning for those areas with which government interacts.

Consideration of the crisis on the economy and public finances has constrained our ability to do meaningful longer term planning. However, evidence of the economic impacts of the pandemic and the uncertainty of new trading relations with the European Union are presented in the Chief Economist’s Report. This has informed immediate priorities for the 2021-22 Draft Budget and highlighted the uncertainty surrounding longer-term budget needs, pressures and risks.

Work on the Future Trends Report for Wales was delayed due to the coronavirus. Work is due to re-commence on the first phases of the Future Trends Report and the next report will be published after the Senedd elections.

Enhance approach or promote existing approach to appraising financial decisions to avoid the risk that Welsh Government would support infrastructure that increases emissions without a clear understanding of how the impact would be mitigated, and how the mitigation would be funded. Continue to explore the principle of aligning financial and carbon budgets, alongside the developing evidence base.

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As part of the development of the next WIIP look at how scenario modelling could inform development. Consider how the work of NICW can support longer term capital plans.

Subject to work on the WIIP successor develop approach on longer term capital budgets to maximise the impact of capital investment.

Explore digital options to improve transparency of budget information to aid understanding of the budget working with stakeholders alongside wider improvements to budget information.

Continue to refine and improve the transparency of budget information, working with external stakeholders, with the aim of improving understanding of and engagement with the budget.

Further develop the distributional impact model to test whether it could be used to analyse changes in spending.

Pilot and test approach to scenario analysis of Budget spending options using distributional data.

Review effectiveness of distributional approach in budget spending scenarios, and determine how it can best be used in the budget process.

Published analysis of outputs of a preliminary Welsh Distributional Impact Assessment model for public spending as part of the 2021-22 Draft Budget, showing the impact of high level spending decisions.

Tested a developed model on the distributional impact of taxation decisions to consider whether any improvements could be made to enhance functionality and Welsh specificity.

Welsh Government officials joined the Well-being Economy Government (WEGo) Network. Other members include government officials from Scotland, Iceland and New Zealand. This network has a shared ambition to deliver and improve well-being through their economic approach.

Explore digital options to improve transparency of budget information to aid understanding of the budget working with stakeholders alongside wider improvements to budget information.

Developed new digital assets such as infographics and an animation to convey key budget messages simply, complementing the Budget leaflet, budget narrative and budget data tables.

Ongoing review existing evidence, including the future trends report, UK Committee on Climate Change advice and the Nuffield modelling to support budget discussions. This will include working with departments as they shape their impact assessment work.
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<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Description</th>
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<tbody>
<tr>
<td>2020</td>
<td>Budget planning and production</td>
<td>Engage with Statutory Commissioner's offices, members of the reformed Budget Advisory Group for Equality and scrutiny Committees, to explore views on the purpose and aims of the SIIA and the extent to which the current approach can be developed to meet this clarified purpose. This will include discussion about how information about budget decisions in the context of specific impacts (such as Children's Rights or Equalities) can be more transparent, in the context of consideration of impacts through a number of lenses.</td>
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<td>2021</td>
<td>Budget planning and production</td>
<td>Consider the implications of the review of Welsh Government’s Integrated Impact Assessment Tool (deferred until 2021), feedback gathered from Commissioners, and plans to enact the socio-economic duty as part of the Public Sector Equality Duty in Wales by end March 2021, to explore whether new approach to the SIIA of the Budget is needed.</td>
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<tr>
<td>2022</td>
<td>Budget planning and production</td>
<td>Based on stakeholder feedback and related developments to impact assessment, decide on scale of improvements required, and determine whether to commission external input to help shape a new approach to Impact Assessment of Budget decisions.</td>
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<td>2023</td>
<td>Budget planning and production</td>
<td>Implement an improved impact analysis of the budget that effectively considers all the developments in previous years, in a way that more clearly demonstrates how the WFG Act underpins all these considerations. This will include addressing recommendations from a commissioned review (if applicable).</td>
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<td>2024+</td>
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<td>Revisit and continuously develop the existing evidence base that helps inform high-level spending priorities, including sources that demonstrate longer-term trends in Wales.</td>
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Progressed work to take a ‘gender focussed’ approach to Welsh Government’s Personal Learnings Account (PLA) pilot. Early monitoring of the pilot’s delivery highlighted that the flexibility of the PLA offer made appealed to a wider range of people, to develop skills in sectors with known gender biases. As a result of the pilot’s early success the programme has been rolled out across Wales. Work has been commissioned from the Learning and Work Institute to understand and explore the ongoing take-up of the offer, and identify any unintended barriers for groups with protected characteristics. Findings from this work will be made available in early 2021.

Consider implications from final evaluation of PLA programme to determine extent to which a ‘gender focussed’ approach is fully embedded, identifying lessons learned and good practice.

Expand Gender Budgeting piloting further across portfolios in a way that best aligning with ambitions identified in response to 2019 Gender Equality Review Recommendations. Produce interim reports on findings from gender budgeting pilot(s) to set out key findings and any changes in policy development or delivery as a result.

(LONGER TERM) Develop a Welsh approach to gender budgeting in partnership with the Wales Centre for Public Policy and other experts as needed. This will take into account the context in Wales and the Welsh Treasury’s role in developing the Welsh Government Budget to provide the high level strategic context and fiscal constraints within which the wider budgeting process takes place across all Welsh Government departments. Approach will need to be developed in collaboration with finance leaders within Welsh Government Departments, to recognise their role in determining budgets within individual Ministerial portfolios, which will takes place independently of, but feeds into, the annual Welsh Government Budget.

Consideration of the content of the revised Green Book and liaison with Future Generations Commissioner’s office and others on need for a Welsh Chapter.

Producing regular economic analysis and briefing on the evolving economic crisis related to both the pandemic and the transition to new trading relations with the European Union. This has included presentations to Cabinet and senior officials, the preparation of bespoke analysis and assessments set out in an internal Monthly Economic Report.

Provided advice and support to a project to develop a pilot model estimating the carbon impacts of 2020-21 spending proposals. (See section ‘Responding to climate change and biodiversity’)

Continued ongoing work in assessing Value for Money, covering business cases in health and education and also contributing to the assessment of proposals for spending to mitigate the impacts of the economic crisis. Analysis and advice has also been provided to contribute to the development of a new system of agricultural support in Wales.

Further development of the annual Chief Economist’s Report to cover a wider range of well-being measures.
Early development work on the successor to the WIIP has focused on building the strategy around the four sustainable development principles of the WFG Act (Economic, Environmental, Societal and Cultural Well-being). A Target Operating Model has been developed that distinguishes between the strategic outcomes that infrastructure should deliver, from the programmes needed to deliver them, and the funding allocations needed to finance those programmes. We intend to build our response to NICW report into the new Strategy, with the National Development Framework influencing the programmes needed to deliver.

Published a Written Statement on the approach to developing the WIIP successor alongside the 2021-22 Draft Budget publication.

Review delivery against the existing WIIP (and WIIP Mid point review).

Continue the development of the WIIP and its role in responding to the National Infrastructure Commission for Wales' report.

Publication of next WIIP to set strategic context for capital investment.

Explore opportunities to draw on the new Carbon Budget to influence the development of the next WIIP.

The Explanatory Note accompanying the first supplementary budget 2020-21 provided a comprehensive narrative of the significant budget allocations and reprioritisations of existing budgets and their impacts, to enhance transparency given the unprecedented scale of changes to the Welsh budget.

Published an extraordinary Second Supplementary Budget on 20 October, months earlier than the usual timetable of early 2021, to reflect the further financial changes that had arisen since the first supplementary budget, to recognise the importance of providing transparency around the financial implications of the crisis. Both these developments exceeded the ambitions originally envisaged in this Plan.

The supporting narrative for future supplementary budgets will continue to be assessed based on the level of changes the budget represents. Where appropriate, developments occurring in other areas of the budget planning processes will also be considered.
Published our 2020 Tax Policy Work Plan, outlining our planned programme of work to take forward the tax policy agenda in Wales.

The current Tax Policy Work Plan takes us to the Senedd Cymru elections and therefore, the corresponding Tax Policy Report will be published closer to the end of the current Senedd.

Progress work on merits and challenges of a potential tourism tax for Wales.

Continue to consider potential tax funding options for further analysis of how additional funding could be raised to in relation to funding future policy priorities such as paying for social care.

Currently considering the efficacy of the agreed tax devolution mechanism and next steps. Timescales are dependent on engagement with the UK Government.

Continue to explore the policy options around a vacant land tax with stakeholders following work to secure necessary competence from UK Government with a view to the development of a public consultation.

Review existing and potential new taxes to help secure Tax Policy Framework principles and objectives and to inform Ministers’ decisions on potential areas for future development.

Ongoing work to enhance Wales’ tax capabilities in the areas of policy, analysis, communications and engagement, research & evidence, and administration.

Consider how to use broader policy, legislative and tax levers with policy partners to address the climate emergency and deliver our wider environmental objectives.

Continue to develop legislative proposal to provide Welsh Ministers with an additional tool to respond when changes are needed quickly to the Welsh Tax Acts. The Bill is currently planned for introduction in Year 1 of Sixth Senedd.

Published Annual Tax Policy Plan and report.

Complete formal reviews of Land Transaction Tax and Landfill Disposals Tax.

UK Plastic Packaging Tax: Tax to take effect by April 2022.
Tax and Budget Engagement

2021-22 Budget planning and production

Worked with the Consultation Institute to research and understand methods and approaches for involvement. Looking across the organisation for examples of best practice, such as the use of a Citizen Jury for the Measuring the Mountains project (social care).

Continue to identify best practice from public sector approaches to involvement

Moving from awareness to engagement drawing on good practice identified, to help assess the impact of budget decisions and influence spending priorities.

Continued Ministerial engagement with key stakeholders, such as Statutory Commissioners, Local Government and Third Sector and Equalities representatives, to discuss preparations and priorities for the 2021-22 Draft Budget.

Explore other engagement opportunities with key stakeholder groups, to determine how we could most effectively engage these groups to influence budget priorities.

Developed a number of communications campaigns in the lead up to and on the day of publishing the 2021-22 Draft Budget to illustrate how the Welsh Government receives and spends its money; highlight the role of the Minister for Finance and Trefnydd and communicating the theme and key messages of the 2021-22 draft budget.

Continue to explore opportunities to use social media and improve published budget documentation to disseminate key messages simply, to raise public awareness of Welsh Government Budget (Tax and Spending)

Capturing insight around citizen experience and awareness in order to inform developing narrative for COVID-19 context, recovery context and future involvement.

Work with partner organisations, and draw on expertise from others such as the new Budget Improvement Advisory Group, to explore ways of amplifying high level narrative across channels to increase understanding of devolution in Wales with the aim of encouraging more interest and engagement from wider citizens on how money is raised and spent in Wales.

Reflect on learning and advice to inform and develop 3 year engagement strategy to build on and strengthen engagement efforts with the aim of increasing impact at both stakeholder level and amongst wider citizens in Wales on budget priorities.

Capturing insight around citizen experience and awareness in order to inform developing narrative for COVID-19 context, recovery context and future involvement.
Re-convened existing members of Budget Advisory Group for Equality and other stakeholders in November to discuss our proposal to evolve the group's membership and terms of reference to become an official chaired group to feed into improvements to budget processes. This will be complemented by us developing mechanisms to access focussed expertise and evidence to directly advise the Minister for Finance and Trefnydd on strategic budget priorities.

Ongoing review of the newly agreed purpose, role and membership of the new Budget Improvement Advisory Group and if needed, refine terms of reference and engagement mechanisms to maximise the value to all stakeholders. As part of this, monitor with the Group how it can continue to best advise and contribute to budget improvement considerations.

Explore and develop mechanisms to access expertise and evidence to directly advise the Minister for Finance and Trefnydd on strategic budget priorities. This is with the aim of providing direct advice to inform spending choices on budget allocations as part of the budget process, including balancing competing priorities.

With the three Welsh taxes - Land Transaction Tax, Landfill Disposals Tax and Welsh Rates of Income Tax - now introduced, the Tax Advisory Group has fulfilled its purpose and has been discontinued. As devolved tax responsibilities mature, a new Tax Engagement Group has been established to support WG in considering future opportunities and challenges.

Held a virtual Annual Tax conference event on 8 October which included presentations by the Office for Budget Responsibility and from the organisation ‘Demos’ which considered awareness and engagement around tax.

Welsh Treasury’s annual tax conference (typically held before summer recess) - helping to deliver on our commitment to open, honest and transparent approach to tax policy. The conference aims to bring together stakeholders from across Wales, the UK and from international partners to help promote the Welsh tax agenda, share good practice and latest developments on tax policy and invite input to help inform policy development.

The Communication and Engagement team facilitated workshops within the Welsh Treasury to map and analyse stakeholders across different tax areas. These dovetail into a strategic level of engagement which, in addition to this targeted engagement, identifies and provides opportunities for wider collaboration.

Continue to explore opportunities to engage across Welsh Government departments to develop narrative around spend and impact and increase reach.

Develop more targeted messaging and communications to illustrate the impact of spend across government departments and budget areas. Consider ways of working across government to target messaging in these areas, increasing awareness and encouraging wider engagement.
Key

**WFG Act** – Well-being of Future Generations (Wales) Act

**SIIA** – Strategic Integrated Impact Assessment of the budget

**IIA** – Integrated Impact Assessment

**UKCCC** – UK Committee on Climate Change

**MEGs** – Main Expenditure Groups

**BELs** – Budget Expenditure Lines

**WIIP** – Wales Infrastructure Investment Plan

**NICW** – National Infrastructure Commission for Wales

**FGC** – Future Generations Commissioner

**BAGE** – Budget Advisory Group for Equality