

## Agenda – Y Pwyllgor Cyllid

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Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 3 – y Senedd	<b>Bethan Davies</b>
Dyddiad: Dydd Iau, 21 Medi 2017	Clerc y Pwyllgor
Amser: 09.35	0300 200 6372
	<a href="mailto:SeneddCyllid@cynulliad.cymru">SeneddCyllid@cynulliad.cymru</a>

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### Rhag-gyfarfod anffurfiol (9.35–9.45)

- 1 **Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau**  
09.45
- 2 **Papur(au) i'w nodi**  
09.45 (Tudalennau 1 – 6)
  - 2.1 **PTN1 – Llythyr gan Gadeirydd Pwyllgor yr Economi, Seilwaith a Sgiliau at Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith – 20 Gorffennaf 2017**  
(Tudalennau 7 – 12)
  - 2.2 **PTN2 – Llythyr gan Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith at Gadeirydd y Pwyllgor Economi, Seilwaith a Sgiliau – 14 Awst 2017**  
(Tudalen 13)
  - 2.3 **PTN3 – Llythyr gan Archwilydd Cyffredinol Cymru at Gadeirydd y Pwyllgor Cyllid – Gwariant ar y Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 – 3 Awst 2017**  
(Tudalennau 14 – 15)
  - 2.4 **PTN4 – Llythyr gan Ysgrifennydd y Cabinet ar gyfer Cyllid a Llywodraeth Leol – Cynllun Cymunedol Deddf Treth Gwarediadau Tirlenwi (Cymru) 2017 – 7 Awst 2017**  
(Tudalen 16)
  - 2.5 **PTN5 – Llythyr gan Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol – Cyllideb Atodol Gyntaf Llywodraeth Cymru ar gyfer 2017–18 – 21 Gorffennaf 2017**  
(Tudalennau 17 – 20)



- 2.6 PTN6 – Llythyr gan Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol – adroddiad PPIW – 23 Awst 2017**  
(Tudalennau 21 – 55)
- 2.7 PTN7 – Llythyr gan Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol – Cyllideb Atodol Gyntaf Llywodraeth Cymru ar gyfer 2017–18 – 1 Medi 2017**  
(Tudalennau 56 – 58)
- 2.8 PTN8 – Llythyr gan Ysgrifennydd y Cabinet dros Gymunedau a Phlant – Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru) – 12 Medi 2017**  
(Tudalen 59)
- 2.9 PTN9 – Llythyr gan Suzy Davies AC, Comisiynydd – Tanwariant Penderfyniad y Bwrdd Taliadau – 14 Medi 2017**  
(Tudalennau 60 – 61)
- 2.10 PTN10 – Llythyr gan Gomisiynydd Cenedlaethau'r Dyfodol – Tystiolaeth ychwanegol ar Gostau Deddfwriaeth – 21 Gorffennaf 2017**  
(Tudalennau 62 – 72)
- 3 Sesiwn dystiolaeth y Bil Anghenion Dysgu Ychwanegol a'r Tribiwnlys Addysg (Cymru): SNAP Cymru**  
(9.45–10.15) (Tudalennau 73 – 83)  
Denise Inger, Prif Weithredwr a Chyfarwyddwr  
Caroline Rawson, Cyfarwyddwr Cynorthwyol
- 4 Y Bil Anghenion Dysgu Ychwanegol a'r Tribiwnlys Addysg (Cymru): sesiwn dystiolaeth gyda'r Gweinidog**  
(10.15–11.15) (Tudalennau 84 – 105)  
Alun Davies AC, Gweinidog y Gymraeg a Dysgu Gydol Oes  
Emma Williams, Uwch Swyddog Cyfrifol  
Tania Nicholson, Pennaeth Rhaglen Ddeddfwriaethol Anghenion Dysgu Ychwanegol  
Charlie Thomas, Pennaeth Trawsnewid Anghenion Dysgu Ychwanegol (ADY)
- Papur 1 – Llythyr gan y Gweinidog dros y Gymraeg a Dysgu Gydol Oes – Aseiad Effaith Rheoleiddiol Diwygiedig – 8 Medi 2017

[Asesiad Effaith Rheoleiddiol Diwygiedig](#)

[Adolygiad cymheiriaid allanol](#)

- 5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod ac o'r cyfarfod ar 27 Medi 2017**  
(11.15)
- 6 Y Bil Anghenion Dysgu Ychwanegol a'r Tribiwnlys Addysg (Cymru): trafod y dystiolaeth**  
(11.15–11.30)
- 7 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Trafod yr adroddiad drafft**  
(11.30–12.00)  
Papur 3 – Adroddiad drafft
- 8 Goruchwyllo gwaith Swyddfa Archwilio Cymru: recriwtio Archwilydd Cyffredinol Cymru**  
(12.00–12.15) (Tudalennau 106 – 133)  
Papur 4 – Recriwtio Archwilydd Cyffredinol Cymru  
**Cinio (12.15–13.00)**
- 9 Craffu ar y gyllideb: ymgymryd â gwaith craffu ar y gyllideb a goruchwyllo ariannol; datblygu arfer da a gwneud gwahaniaeth**  
(13.00–14.45) (Tudalennau 134 – 136)  
Papur 4 – Craffu ar y Gyllideb: Ymgymryd â Chraffu ar y Gyllideb a Throsolwg Ariannol; Datblygu Arfer Da a Gwneud Gwahaniaeth

## Cofnodion cryno – Y Pwyllgor Cyllid

Lleoliad:

Gellir gwyllo'r cyfarfod ar [Senedd TV](#) yn:

Lleoliad Allanol

<http://senedd.tv/cy/4228>

Dyddiad: Dydd Iau, 13 Gorffennaf 2017

Amser: 10.00 – 12.20

## David Hughes Canolfan Cymunedol, Biwmares

### Yn bresennol

Categori	Enwau
Aelodau'r Cynulliad:	Simon Thomas AC (Cadeirydd) Mike Hedges AC David Rees AC Nick Ramsay AC
Tystion:	Dilwyn Williams, Cyngor Gwynedd Jenny Williams, Cyfarwyddwr Gwasanaethau Cymdeithasol, Cyngor Bwrdeistref Sirol Conwy Alwyn Jones, Cyngor Sir Ynys Môn
Staff y Pwyllgor:	Catherine Hunt (Ail Glerc) Kath Thomas (Dirprwy Glerc) Owen Holzinger (Ymchwilydd)

## 1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.



1.2 Cafwyd ymddiheuriadau gan Eluned Morgan AC, Steffan Lewis AC, a Neil Hamilton AC.

## **2 Papur(au) i'w nodi**

2.1 Cafodd y papurau eu nodi.

## **3 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Sesiwn dystiolaeth 8 (Cymdeithas Cyfarwyddwyr Gwasanaethau Cymdeithasol Cymru (ADSS Cymru))**

3.1 Clywodd y Pwyllgor dystiolaeth gan Alwyn Jones, Swyddog Arweiniol Gwasanaethau Oedolion, Cyngor Sir Ynys Môn a Chadeirydd Penaethiaid Gwasanaethau Oedolion Cymru Gyfan; a Jenny Williams, Cyfarwyddwr Gwasanaethau Cymdeithasol, Cyngor Bwrdeistref Sirol Conwy ac Is-lywydd Cymdeithas Cyfarwyddwyr Gwasanaethau Cymdeithasol Cymru.

## **4 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Sesiwn dystiolaeth 9 (Cymdeithas Prif Weithredwyr yr Awdurdodau Lleol (SOLACE))**

4.1 Clywodd y Pwyllgor dystiolaeth gan Dilwyn Williams, Prif Weithredwr, Cyngor Gwynedd.

## **5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod ac eitemau 1–3 o'r cyfarfod ar ddydd Mercher 19 Gorffennaf 2017.**

5.1 Derbyniwyd y cynnig.

## **6 Cyllideb Atodol Gyntaf Llywodraeth Cymru 2017–18: Trafod yr adroddiad drafft**

6.1 Cytunodd y Pwyllgor ar yr adroddiad â rhai mân newidiadau.

## **7 Penodi Aelodau a Chadeirydd anweithredol i Fwrdd Swyddfa Archwilio Cymru: Trafod yr adroddiad drafft**

7.1 Cytunodd y Pwyllgor ar yr adroddiad â rhai mân newidiadau.

# Cofnodion cryno – Y Pwyllgor Cyllid

Lleoliad:

Gellir gwyllo'r cyfarfod ar [Senedd TV](#) yn:

Ystafell Bwyllgora 3 – y Senedd

<http://senedd.tv/cy/4165>

Dyddiad: Dydd Mercher, 19 Gorffennaf  
2017

Amser: 09.02 – 11.30

## Yn bresennol

Categori	Enwau
Aelodau'r Cynulliad:	Simon Thomas AC (Cadeirydd) Neil Hamilton AC Mike Hedges AC Eluned Morgan AC David Rees AC Steffan Lewis AC Nick Ramsay AC
Tystion:	Mark Drakeford AC, Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol Andrew Hobden, Llywodraeth Cymru Jonathan Price, Llywodraeth Cymru
Staff y Pwyllgor:	Bethan Davies (Clerc) Catherine Hunt (Ail Clerc) Georgina Owen (Dirprwy Clerc) Martin Jennings (Ymchwilydd) Joanne McCarthy (Ymchwilydd)



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

Tudalen y pecyn 4

	Owen Holzinger (Ymchwilydd) Gareth Howells (Cynghorydd Cyfreithiol) Katie Wyatt (Cynghorydd Cyfreithiol)
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Penderfynodd y Pwyllgor ar 13 Gorffennaf 2017 i wahardd y cyhoedd ar gyfer eitemau 1–3 y cyfarfod.

## **1 Trafod y dull ar gyfer craffu ar gyllideb ddrafft Llywodraeth Cymru 2018–19**

1.1 Cytunodd y Pwyllgor ar ei ddull ar gyfer craffu ar gyllideb ddrafft Llywodraeth Cymru ar gyfer 2018–19.

1.2 Cytunodd y Pwyllgor i gynnal ymgynghoriad cyhoeddus ar y cynigion ar gyfer y gyllideb ddrafft er mwyn llywio gwaith craffu'r Pwyllgor; fe'i cynhelir yn ystod toriad yr haf.

## **2 Trafod y Bil Ombwdsmon Gwasanaethau Cyhoeddus (Cymru) drafft**

2.1 Cytunodd y Pwyllgor i fwrw ymlaen i gyflwyno'r Bil Ombwdsmon Gwasanaethau Cyhoeddus (Cymru).

## **3 Goruchwyllo gwaith Swyddfa Archwilio Cymru: Penodi Archwilydd Cyffredinol Cymru**

3.1 Trafododd y Pwyllgor y broses ar gyfer penodi Archwilydd Cyffredinol nesaf Cymru.

## **4 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau**

4.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.



## **5 Papur(au) i'w nodi**

5.1 Nodwyd y papurau.

## **6 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Sesiwn dystiolaeth 10 (Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol)**

6.1 Cymerodd y Pwyllgor dystiolaeth gan Mark Drakeford AC, Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol; Jonathan Price, Prif Economegydd Llywodraeth Cymru; ac Andrew Hobden, y Tîm Arfarnu a Dadansoddi Economaidd, Llywodraeth Cymru.

## **7 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod**

7.1 Derbyniwyd y cynnig.

## **8 Ymchwiliad i'r amcangyfrifon ariannol sy'n cyd-fynd â deddfwriaeth: Trafod y materion allweddol**

8.1 Trafododd y Pwyllgor y dystiolaeth a gafwyd a'r materion allweddol a oedd wedi codi o'r ymchwiliad.

## **9 Gweithredu Deddf Cymru 2017: Prif ddiwrnod penodedig**

9.1 Ystyriodd y Pwyllgor y prif ddiwrnod penodedig arfaethedig a chytunodd i ymateb i'r Llywydd.

Ken Skates AC  
Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith

20 Gorffennaf 2017

Annwyl Ysgrifennydd y Cabinet

### Cyllideb Llywodraeth Cymru ar gyfer 2017–18: Craffu yn ystod y flwyddyn ar gyllideb yr economi a'r seilwaith ar gyfer 2017–18

Ar 13 Gorffennaf 2017, cwestiynodd Pwyllgor yr Economi, Seilwaith a Sgiliau chi fel rhan o'i waith craffu yn ystod y flwyddyn o gyllideb ddrafft Llywodraeth Cymru ar gyfer 2017–18.

Rwy'n ysgrifennu atoch i dynnu eich sylw at nifer o faterion, yr ydym yn disgwyl dychwelyd atynt yn ystod ein gwaith craffu ar y gyllideb ddrafft yn ystod hydref 2017.

#### Blaenoriaethu a gwerth am arian

Ar ôl craffu ar Gyllideb Atodol gyntaf 2016–17 ym mis Gorffennaf 2016, argymhellodd y Pwyllgor Cyllid fod Llywodraeth Cymru yn cyhoeddi “mwy o dystiolaeth sy'n nodi'r rhesymeg y tu ôl i ddyraniadau'r gyllideb yn y dyfodol, fel y cynllun rhyddhad ardrethi busnes, gan gynnwys manylion am yr effaith economaidd a ragwelir” er mwyn gallu mesur gwerth am arian. Derbyniodd Llywodraeth Cymru yr argymhelliad hwn, gan nodi y bydd yn cyhoeddi naratif sy'n cynnwys asesiad o'r dystiolaeth orau sydd ar gael sydd wedi llywio ei chynlluniau gwariant ar lefel strategol.

Yn ystod y gwaith craffu ar y gyllideb ddrafft yn ystod yr hydref y llynedd, gwnaethoch ddweud wrthym eich bod yn ystyried y sylfaen dystiolaeth ar gyfer



gwneud penderfyniadau ar gyllidebau. Trafodwyd hyn ymhellach yn y gwaith craffu ariannol yn ystod y flwyddyn.

Mae'r Pwyllgor yn cytuno, er mwyn i ni a'r cyhoedd yn ehangach asesu a yw'r blaenoriaethau a ddewiswyd yn rhesymol, ac a yw'r canlyniadau a ragwelir yn rhoi gwerth am yr arian cyhoeddus, mae'n hanfodol bod mwy o ymdrech yn cael ei roi i mewn i rannu'r ffordd o feddwl a'r dystiolaeth sy'n sail i benderfyniadau gwario y llywodraeth.

Cred y Pwyllgor fod angen gwneud mwy i gyflawni ymrwymiad Llywodraeth Cymru i ddarparu manylion am y dystiolaeth a'r rhesymeg sy'n sail i ddyraniadau'r gyllideb, gan ddangos sut yr ydych wedi cryfhau sylfaen dystiolaeth eich adran ar gyfer gwneud penderfyniadau cyllidebol.

Er eich bod wedi rhoi sicrwydd i'r Pwyllgor y rhoddir ystyriaeth lawn *o fewn Llywodraeth Cymru* i sicrhau bod gweithdrefnau yn gadarn ac yn werth am arian, cred y Pwyllgor fod angen gwneud y sail dystiolaeth ar gyfer gwneud penderfyniadau cyllidebol yn gyhoeddus ac yn eglur, yn enwedig yn ystod y gwaith o graffu ar y gyllideb ddrafft/gwaith craffu ariannol.

## Cymorth busnes a chyllid

Cyhoeddwyd strategaeth economaidd bresennol Llywodraeth Cymru '*Adnewyddu'r Economi: Cyfeiriad Newydd*' ym mis Gorffennaf 2010. Mae'r ddogfen yn pwysu a mesur y manteision a'r anfanteision o ddarparu grantiau i fusnesau. Penderfynodd Llywodraeth Cymru fod angen iddi symud i ddiwylliant buddsoddi a chyhoeddodd yn y strategaeth y byddai'r holl gyllid y mae Adran yr Economi a Thrafnidiaeth yn ei ddarparu'n uniongyrchol yn ad-daladwy yn y dyfodol.

Roedd eich tystiolaeth ysgrifenedig yn rhoi dadansoddiad o fenthyciad a chyllid grant a dalwyd o gyllidebau 'Sectorau a Busnes' Llywodraeth Cymru ers 2011–12. Dangosodd y dystiolaeth dros y chwe blynedd ariannol llawn ers i'r strategaeth gael ei chyhoeddi, 2011–12 i 2016–17, dim ond 24 y cant o grant cyfalaf a chyllid benthyciad a dalwyd a gafodd ei ad-dalu. Nid oedd y balans sy'n weddill (76 y cant) yn ad-daladwy.



Roedd y Pwyllgor yn falch o nodi eich bwriad i greu amgylchedd sy'n cefnogi'r gwaith o ddatblygu sgiliau a bod y rhaglen ar hyn o bryd yn bodloni neu'n rhagori ar ddisgwyliadau Llywodraeth Cymru. Fodd bynnag, cytunodd y Pwyllgor fod angen mwy o sicrwydd arni o ran y cynnydd sy'n cael ei wneud mewn cyllid grant a benthyciad.

Hoffai'r Pwyllgor gael rhagor o wybodaeth am y cynnydd a wnaed wrth symud i 'ddiwylliant buddsoddi' ers cyhoeddi *'Adnewyddu'r Economi: Cyfeiriad Newydd'*, gan gynnwys y cyfraddau ariannu a'r amserlenni ar gyfer benthyciadau a grantiau cyfalaf ad-daladwy a heb fod yn ad-daladwy. Bydd y Pwyllgor yn archwilio hyn ymhellach yn ystod y gwaith o graffu ar y gyllideb yn ystod hydref 2017.

## **Cynlluniau seilwaith rheilffyrdd a ffyrdd: Effaith chwyddiant yn codi**

Ar ôl craffu ar y gyllideb ddrafft ym mis Tachwedd 2016, fe wnaethom ysgrifennu at y Pwyllgor Cyllid yn tynnu sylw at dystiolaeth gan y Dirprwy Ysgrifennydd Parhaol a oedd yn nodi bod y gyllideb ddrafft yn tybio chwyddiant o 2–3 y cant gyda rhagolygon yn awgrymu y gallai fod hyd at 4 y cant erbyn diwedd 2017. Mynegwyd pryderon gennym ynghylch yr effaith y gallai hyn ei chael ar brosiectau mawr fel ffordd liniaru'r M4 a Metro De Cymru.

Gofynnodd y Pwyllgor ichi roi'r wybodaeth ddiweddaraf am sut y bydd unrhyw newidiadau i'r tybiaethau o ran chwyddiant yn y dyfodol yn cael eu cynnwys yn y gwaith o ddarparu prosiectau seilwaith ffyrdd a rheilffyrdd a ariennir gan Lywodraeth Cymru yn 2017–18 a thu hwnt.

Mewn ymateb, gwnaethoch ddweud bod chwyddiant, fel y mesurwyd gan Fynegai Prisiau Defnyddwyr, yn 2.9 y cant ar hyn o bryd, sef yr uchaf ers mis Mehefin 2013, ac yn uwch na tharged o 2 y cant Banc Lloegr. Rydym yn ymwybodol bod chwyddiant adeiladu yn aml yn mynd yn uwch na'r Mynegai Prisiau Defnyddwyr.

Yn ystod y gwaith craffu ar y gyllideb yn ystod y flwyddyn, gwnaethoch ddweud wrth y Pwyllgor y byddai chwyddiant yn cael ei gynnwys yn y gwaith cynllunio ariannol o brosiectau trafndiaeth mawr gyda chyllidebau yn cael eu hail-galibro a'u cymeradwyo ar gamau allweddol o bob prosiect. Clywodd y Pwyllgor hefyd y bydd contractau adeiladu yn cynnwys lwfans i reoli newidiadau mewn chwyddiant,



a bod dull y Llywodraeth, yn cynnwys Ymwneud Cynnar gan Contractwr a defnyddio cyllidebau wedi'u capio ar gynlluniau megis y Metro, yn helpu i reoli'r mater hwn.

Roedd y Pwyllgor yn bryderus gydag ansicrwydd ariannol parhaus o ran effaith gadael yr Undeb Ewropeaidd a'r potensial ar gyfer amrywiadau pellach yn y gyfradd gyfnewid a chynnydd mewn chwyddiant, y byddai'n anodd i Lywodraeth Cymru warantu na fyddai'r cynnydd mewn chwyddiant ac ansefydlogrwydd economaidd pellach yn y dyfodol yn effeithio ar brosiectau seilwaith rheilffyrdd a ffyrdd hirdymor ac ar raddfa fawr. O ystyried maint y prosiectau hyn, ac felly graddfa bosibl y gorwario sy'n effeithio ar werth am arian a fforddiadwyedd, credwn ei bod yn hanfodol monitro effaith chwyddiant yn y blynyddoedd i ddod yn ofalus iawn.

## **Banc Datblygu i Gymru**

Mae cyllideb Llywodraeth Cymru ar gyfer 2017–18 yn cynnwys £45.75 miliwn dros bedair blynedd er mwyn i'r Banc Datblygu i Gymru wella mynediad at gyllid ar gyfer Busnesau Bach a Chanolig. Mae Llywodraeth Cymru wrthi'n rheoli'r broses o drosglwyddo swyddogaethau rhwng Cyllid Cymru a'r Banc Datblygu i Gymru.

Nododd eich papur y bydd y Banc Datblygu yn mynd i'r afael â'r bwlch cyllido ar gyfer busnesau micro, busnesau bach a busnesau canolig yr amcangyfrifir ei fod yn tua £350 miliwn i £500 miliwn y flwyddyn yng Nghymru.

Yn ystod ein gwaith craffu yn ystod y flwyddyn o'ch cyllideb, gwnaethom ofyn ichi egluro maint y bwlch cyllido y bydd y Banc Datblygu yn ceisio mynd i'r afael ag ef a gofynnwyd am ragor o wybodaeth am p'un a fyddai'r banc yn ddarostyngedig i ofynion gwytnwch y sector bancio, megis cynnal cymarebau cyfalaf a throsoledd gofynnol. Gwnaethoch ddweud na fyddai gofynion o'r fath yn gymwys i'r banc, ond y bydd y Pwyllgor yn parhau i geisio sicrwydd fod gan y banc gynlluniau cynaliadwy i ymdrin ag ergydion economaidd lle gall benthyciadau fod yn anodd eu cael.



Mae'r Pwyllgor wedi cymryd diddordeb cyson yn esblygiad Cyllid Cymru, ac mae'n bwriadu dychwelyd at y pwnc hwn unwaith y bydd y cynllun busnes ar gyfer y Banc Datblygu yn cael ei gyhoeddi. Byddwn yn archwilio hyn ymhellach yn ystod y gwaith o graffu ar y gyllideb yn ystod hydref 2017.

## **Cyllid ar gyfer Metro De Cymru ac ymrwymiad i seilwaith rheilffyrdd y Cymoedd**

Yn 2014 ymrwymodd Llywodraeth y DU i gyfrannu £125 miliwn tuag at gost trydaneiddio rheilffyrdd y Cymoedd. Yn ystod ymchwiliad diweddar y Pwyllgor i fasnachfaint rheilffyrdd clywsom dystiolaeth gan yr Adran Drafnidiaeth a oedd yn awgrymu bod y cyllid hwn ar gyfer trydaneiddio rheilffyrdd y Cymoedd yn dibynnu ar natur y cynnig gan Lywodraeth Cymru ar gyfer y rheilffyrdd.

Wrth ddarparu tystiolaeth i'r Pwyllgor ar gyfer ei ymchwiliad i fasnachfaint rheilffyrdd a'r Metro, gwnaethoch amlinellu tri maes lle roedd angen cytundeb gan yr Adran Drafnidiaeth a Network Rail i gyflawni ei uchelgais ar gyfer y fasnachfaint a'r Metro.

Wrth graffu ar y gyllideb yn ystod y flwyddyn, o ran y £125 miliwn, nododd eich tystiolaeth ysgrifenedig fod gennych ryddid llwyr i wneud y gorau o gwmpas terfynol y cynllun yn dilyn canllawiau Llyfr Gwyrdd er mwyn sicrhau'r gwerth gorau am arian. At hynny, clywsom er bod cynnydd yn cael ei wneud, mae'r un tri mater yn parhau i fod angen cytundeb gan Lywodraeth y DU a Network Rail, yn benodol bod cyflawni'r prosiect hwn yn dibynnu ar y canlynol:

- Llywodraeth y DU yn trosglwyddo'r pwerau [caffael masnachfaint] ar amser ac fel y cytunwyd;
- Llywodraeth y DU a Network Rail yn cytuno ar ein cynlluniau ar gyfer Llinellau'r Cymoedd; ac
- yr Adran Drafnidiaeth yn cytuno ar drefniadau ariannol addas ar gyfer seilwaith Rheilffyrdd y Cymoedd.



Gwnaethoch hysbysu'r Pwyllgor fod y dyddiad targed ar gyfer lansio'r gystadleuaeth tendr ar 18 Awst 2017. Mae'r Pwyllgor yn pryderu os na fydd Llywodraeth Cymru yn cael eglurder ynghylch y materion sy'n weddill erbyn i'r fanyleb gael ei rhannu gyda chynigwyr, y gallai leihau gwerth am arian yn yr ymarfer caffael naill ai drwy ansicrwydd yn arwain at gynigwyr yn cynnwys premiwm risg yn eu ceisiadau, neu drwy ohirio ymarfer tendro a gynlluniwyd yn wreiddiol ar gyfer mis Gorffennaf ymhellach.

Hoffai'r Pwyllgor gael diweddariadau rheolaidd gennych ar y cynnydd a wneir ar gyrraedd cytundeb ar y materion sy'n weddill, a datblygiad y fasnachfrait rheilffyrdd a seilwaith Rheilffyrdd y Cymoedd.

Cododd ein trafodaeth nifer o faterion penodol eraill, y byddwn yn eu codi ac yn eu monitro gyda'r Gweinidogion perthnasol yn ein gwaith craffu rheolaidd drwy gydol y flwyddyn.

Yn gywir



**Russell George AC**  
**Cadeirydd**  
**Pwyllgor yr Economi, Seilwaith a Sgiliau**

cc. Simon Thomas AC, Cadeirydd, Y Pwyllgor Cyllid



**Ken Skates AC/AM**  
**Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith**  
**Cabinet Secretary for Economy and Infrastructure**



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref

Russell George AC  
Cadeirydd  
Pwyllgor yr Economi, Seilwaith  
a Sgiliau

SeneddEIS@assembly.wales

14 Awst 2017

Annwyl Russell

Diolch ichi am eich llythyr dyddiedig 20 Gorffennaf ac am ddi-ddordeb eich Pwyllgor yn sefyllfa canol blwyddyn (2017/2018) y gyllideb ar gyfer yr Economi a'r Seilwaith.

O ran eich sylwadau ar y fasnachfaint rheilffyrdd, fel y gwyddoch yn barod o bosibl, y nod oedd cyhoeddi dogfennau tendr ym mis Awst. Mae hyn bellach wedi ei ohirio tan ddiwedd mis Medi yn dilyn oedi gan yr Adran Drafnidiaeth. Fodd bynnag, yn unol â'ch cais, byddaf yn rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor maes o law ar hynt y gwaith o ddatblygu'r fasnachfaint rheilffyrdd, y Metro a seilwaith Cledrau'r Cymoedd.

Byddaf yn ystyried y pwyntiau pwysig eraill a grybwyllwyd gennych yn eich llythyr yng nghyflwyniad Cyllideb Ddrafft 2018-19 yn yr hydref

**Ken Skates AC/AM**  
**Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith**  
**Cabinet Secretary for Economy and Infrastructure**

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Mr Simon Thomas AC  
Cadeirydd y Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru  
Bae Caerdydd  
Caerdydd CF99 1NA

**Cyfeirnod:** HVT/2737/fgb

**Dyddiad cyhoeddi:** 03 Awst 2017



## Gwariant ar waith yn ymwneud â Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 yn 2016-17

Yn ystod cyfarfod y Pwyllgor Cyllid ar y 7<sup>fed</sup> o Fehefin, cynigiodd fy nghydweithiwr, Matthew Mortlock, roi rhagor o fanylion ynghylch ein gwariant ar waith yn ymwneud â Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 yn 2016-17.


Gwariwyd cyfanswm o £241,748 gennym ar weithgareddau gwahanol yn ymwneud â'r gwaith yr ydym yn ymgymryd mwyn datblygu ein dull o gyflawni dyletswyddau'r Archwilydd Cyffredinol o dan y Ddeddf. Mae'r swm yn cynnwys:

- Amser staff (yn unol â'r Cynllun Ffioedd) - £226,743.
- Costau cysylltiedig â'r gynhadledd a gynhaliwyd gennym ar y cyd gyda Chomisiynydd Cenedlaethau'r Dyfodol ym mis Tachwedd 2016 - £15,005 yn cynnwys TAW

Roedd y gwariant hwn yn cymharu â chostau amcangyfrifedig o £422,000, fel y dangoswyd yn amcangyfrif 2016-17 ac a ystyriwyd gan y Pwyllgor Cyllid yn y Pedwerydd Cynulliad. Y rheswm allweddol am y tanwariant, fel y soniais yn fy nhystiolaeth i'r Pwyllgor ym mis Tachwedd 2016, yw ein bod wedi cymryd camau'n fwriadol i gefnogi'r Comisiynydd newydd drwy gytuno ar drefniadau i'n rheolwr arweiniol ni, oedd â gwybodaeth helaeth am ddatblygu cynaliadwy, symud i swyddfa'r Comisiynydd. Effaith ddilynol anochel hyn oedd cyfnod o oedi, wrth geisio dod o hyd i reolwr prosiect oedd â'r profiad addas i gymryd drosodd. O ganlyniad, cafwyd tanwariant ar gyflog ac argostau ynghyd â chostau cyflawni, fyddai wedi cael eu hachosi fel arall ac a oedd wedi eu cynllunio gennym ar amser llunio'r Amcangyfrif.

Er mwyn rhoi'r ffigurau hyn yng nghyd-destun ein sefyllfa ariannol gyffredinol, fe wnaethom adrodd am danwariant o £192,000 ynghyd â £28,000 o gyfalaf yn 2016-17. Fodd bynnag, oherwydd addasiadau heb fod yn arian parod, fe wnaethom ddychwelyd £495,000 yn ddiweddar i Gronfa Gyfunol Cymru.

Gobeithiaf y bydd y wybodaeth hon o gymorth i'r Pwyllgor cyn unrhyw graffu pellach ar ein Hadroddiad Blynyddol a'n Cyfrifon am 2016-17.

*To gyi*  


**HUW VAUGHAN THOMAS**  
**Archwilydd Cyffredinol Cymru**

Llywodraeth Cymru  
Welsh GovernmentSimon Thomas AC  
Cadeirydd  
Y Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru  
Bae Caerdydd  
CF99 1NA*Annwyl Simon,*

7 Awst 2017

**Bil Treth Gwarediadau Tirlenwi (Cymru), Cynllun Cymunedau**

Rwy'n ysgrifennu atoch i gadarnhau'r amserlen ar gyfer caffael corff dosbarthu i weinyddu Cynllun Cymunedau y Dreth Gwarediadau Tirlenwi a'r camau gweithredu i hysbysu'r partïon sydd â buddiant.

Ar 29 Mai, cyhoeddwyd yr Hysbysiad Gwybodaeth Ymlaen Llaw (copi wedi'i atodi), sef y cam cyntaf yn y broses gaffael. Mae'n ceisio rhybuddio'r partïon sydd â buddiant am y broses gaffael sydd ar ddod.

Yn y gorffennol, cynghorais y byddai'r ymarfer tendro yn cael ei lansio ym mis Gorffennaf. Fodd bynnag, ar ôl ystyried yr amserlen ymhellach, gallaf gadarnhau mai fy mwriad yw cyhoeddi'r tendr ym mis Medi gan osgoi cyfnod yr haf. Credaf y bydd y partïon sydd â buddiant yn croesawu hyn a bydd yn caniatáu i swyddogion barhau i weithio â chydweithwyr yn yr adran cymunedau ac adran yr amgylchedd i ddatblygu'r ddogfennaeth tendro.

Mae swyddogion wedi cysylltu â'r rheini sydd wedi cael yr Hysbysiad Gwybodaeth Ymlaen Llaw er mwyn cadarnhau'r amserlen. Maent hefyd wedi siarad yn uniongyrchol â rhanddeiliaid sydd â buddiant er mwyn sicrhau eu bod yn ymwybodol. Fy mwriad o hyd yw penodi corff dosbarthol yn ddiweddarach eleni.

Yn unol â'r llythyr a anfonais atoch ar 5 Mehefin, rwy'n hapus i'm swyddogion gynnal sesiwn frifffio gyda'r Pwyllgor ar ddatblygiad y cynllun.

Yn gywir

*Mark***Mark Drakeford AC/AM**Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol  
Cabinet Secretary for Finance and Local GovernmentBae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
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**Mark Drakeford AM/AC**

**Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol  
Cabinet Secretary for Finance and Local Government**



**Llywodraeth Cymru  
Welsh Government**

Eich cyf/Your ref

Ein cyf/Our ref: MA-P/MD/2607/17

Simon Thomas AC,  
Cadeirydd y Pwyllgor Cyllid,  
Cynulliad Cenedlaethol Cymru,  
Bae Caerdydd,  
Caerdydd  
CF99 1NA

21 Gorffennaf 2017

Annwyl Simon,

Yn sesiwn y Pwyllgor ar y Gyllideb Atodol Gyntaf addewais ddarparu rhagor o wybodaeth am ddau fater a godwyd gan yr Aelodau.

Fel yr amlinellais yng nghyfarfod y Pwyllgor, dyrannodd y gyllideb hon £20 miliwn o'n cronfeydd refeniw i gefnogi Gwasanaethau Cymdeithasol, gydag £8 miliwn yn cael ei ychwanegu at gyllideb Gofal Cymdeithasol Cymru. Mae'r Gyllideb Atodol hefyd yn cynnwys nifer o drosglwyddiadau o fewn y Prif Grŵp Gwariant a rhwng y Camau Gweithredu amrywiol sy'n ymwneud â'r Gwasanaethau Cymdeithasol. Yn dilyn adolygiad o gyllidebau, ac oherwydd nad oedd nifer o linellau'r gyllideb wedi'u hymrwymo'n gyfan gwbl, cafodd balansau eu trosglwyddo o fewn y gyllideb lechyd. Cafodd £1 miliwn ychwanegol ei drosglwyddo o fewn Gwasanaethau Cymdeithasol i gynyddu ymhellach Gam Gweithredu Gofal Cymdeithasol Cymru; a throsglwyddwyd £2 filiwn i'r Cam Gweithredu Cyflenwi Gwasanaethau GIG Wedi'u Targedu.

Rwy'n atodi nodyn ar wahân sy'n cyfeirio at y prif faterion dosbarthu a ystyriwyd gennym wrth ddatblygu'r Model Buddsoddi Cydfuddiannol.

Gobeithio y bydd y manylion hyn yn ddefnyddiol i chi ac i'r Pwyllgor.

Yn Gywir

**Mark Drakeford AM/AC**

**Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol  
Cabinet Secretary for Finance and Local Government**

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### Y Model Dosbarthu Di-elw

1. Pan benderfynodd y Llywodraeth flaenorol yng Nghymru ddefnyddio'r model Partneriaeth Cyhoeddus-preifat i ariannu buddsoddiad yng nghanolfan ganser Felindre, i gwblhau gwaith deuli'r A465 ac i fuddsoddi yng ngham nesaf rhaglen ysgolion yr 21<sup>ain</sup> ganrif, y bwriad oedd defnyddio'r Model Dosbarthu Dielw a ddatblygwyd yn yr Alban. Nod y model Dosbarthu Dielw oedd lleihau pryderon ynghylch cyllido seilwaith cyhoeddus drwy ffynonellau preifat, a hynny drwy arfer rheolaeth gyhoeddus dros y partner preifat (Project Co), a chapio enillion ar ecwiti a fuddsoddiwyd yn Project Co.
2. Fodd bynnag, gwelwyd nad oedd darpariaethau rheoli a chapio elw y model Dosbarthu Dielw yn hyfyw yn dilyn cyfres o benderfyniadau dosbarthu a wnaed gan ystadegwyr yn y Swyddfa Ystadegau Gwladol (ONS), a gefnogwyd gan Eurostat.
3. Mae'r modd y caiff Partneriaethau Cyhoeddus-preifat eu dosbarthu yn dibynnu ar benderfyniadau a wneir gan yr ONS yn seiliedig ar ddeddfwriaeth berthnasol yr UE: System Cyfrifon Ewrop 2010 (ESA2010). Lle y caiff Partneriaeth Cyhoeddus-preifat ei dosbarthu i'r sector preifat, nid yw ei dyled yn effeithio ar gyllideb awdurdod y sector cyhoeddus sy'n rhan o'r contract. Fodd bynnag, os caiff Partneriaeth Cyhoeddus-preifat ei dosbarthu i'r sector cyhoeddus o dan y rheolau hyn, caiff ei dyled ei hystyried ar fantolen ar gyfer yr awdurdod cyhoeddus perthnasol ac yn hynny o boeth, o dan reolau cyllidebu'r DU<sup>1</sup>, mae gwerth llawn y cynllun yn cael ei sgorio yn erbyn cyllideb cyfalaf y Llywodraeth.
4. Ym mis Gorffennaf 2015, dosbarthodd yr ONS gynllun Dosbarthu Dielw – cynllun Llwybr Cyrion Gorllewinol Aberdeen (AWPR) – i'r sector cyhoeddus. Dilynodd cynlluniau Dosbarthu Dielw eraill, a oedd yn golygu bod yn rhaid i Lywodraeth yr Alban ddarparu tua £1 biliwn o gyllideb cyfalaf i dalu am y cynlluniau hyn. O ganlyniad i'r lefel uchel o reolaethau a arferwyd gan Lywodraeth yr Alban penderfynodd yr ONS y byddai'n rhaid i'r partner preifat a oedd yn darparu'r cynllun, at ddibenion cyllidebol, gael ei ystyried yn sefydliad cyhoeddus, gyda'i ddyled yn cael ei sgorio yn erbyn cyllideb cyfalaf y Llywodraeth. Canfu'r dadansoddiad hefyd fod y broses o gapio enillion ecwiti hefyd yn dangos rheolaeth y Llywodraeth dros y partner preifat, nad oedd yn gyson â dosbarthiad sector preifat.
5. Cafodd y rhesymeg dros y penderfyniadau hyn eu codeiddio ym mis Mawrth 2016 yn sgil cyhoeddi dogfen ddiwygiedig '*Manual on Government Deficit and Debt*' (MGDD) - dogfen ganllaw ESA2010 a gyhoeddwyd gan Eurostat, sydd bellach yn gwahardd yn benodol nifer o'r darpariaethau rheoli a oedd yn rhan amlwg o'r model Dosbarthu Dielw.
6. Gan ystyried y datblygiadau hyn, mae Llywodraeth Cymru wedi datblygu model newydd - y Model Buddsoddi Cydfuddiannol - sy'n anelu at sicrhau'r manteision mwyaf posibl i'r sector cyhoeddus gan sicrhau dosbarthiad sector preifat cynlluniau Model Buddsoddi Cydfuddiannol ar yr un pryd. Er mwyn cyflawni hyn, gwnaed nifer o ddiwygiadau pwysig i'r model Dosbarthu Dielw, gan fynd ati hefyd i gadw elfennau

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<sup>1</sup> Gweler, er enghraifft, Pennod 13 o *UK Consolidated budgeting guidance 2017 to 2018*.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/601846/consolidated\\_budgeting\\_guidance\\_2017-2018.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/601846/consolidated_budgeting_guidance_2017-2018.pdf)

craidd y model, megis trosglwyddo risg a thaliadau argaeledd, sy'n hyrwyddo lles y cyhoedd ac nad ydynt yn broblematic o safbwynt dosbarthu.

#### Cyfarwyddwyr Budd y Cyhoedd – arfer dylanwad (ond nid rheolaeth)

7. Roedd y model Dosbarthu Dielw yn rhagweld penodi Cyfarwyddwr Budd y Cyhoedd gan y Llywodraeth (ond heb ei gyflogi gan y Llywodraeth) ar fwrdd Partneriaeth Cyhoeddus-preifat Project Companies (Project Co.). Rhoddwyd pwerau fetu i'r Cyfarwyddwr a fyddai'n cael eu harfer drwy gyfran aur.
8. Yn y Model Buddsoddi Cydfuddiannol, bydd y sector cyhoeddus yn cadw'r hawl i benodi Cyfarwyddwr Budd y Cyhoedd. Er na fydd y Cyfarwyddwr yn arfer pwerau fetu dros benderfyniadau gweithredol Project Co (a fyddai'n arwain at ddsbarthiad cyhoeddus ar gyfer y Bartneriaeth Cyhoeddus-preifat), bydd ef neu hi yn cael eu grymuso drwy fynediad anghyfyngedig i wybodaeth, a sicrhau drwy rwymedigaethau tryloywder.

#### Y Strwythur Cyfalaf – rhannu (ond heb gapio) elw

9. Nid oedd cytundebau Dosbarthu Dielw yn cynnwys ecwiti sy'n dwyn difidendau. Cafodd ecwiti ei ddisodli gan ddyled pris penodedig - sy'n esbonio pam y gelwir y model yn fodel dosbarthu dielw. Roedd disgwyl i unrhyw enillion uwchlaw'r cap pris penodedig - er enghraifft, yn deillio o arbedion wrth weithredu'r ased (megis costau cynnal is nag a ragwelwyd neu enillion ailariannu) - gael eu dychwelyd i'r sector cyhoeddus ar ffurf arian dros ben.
10. Yn y Model Buddsoddi Cydfuddiannol, bydd ecwiti yn cyfrannu at y dull ariannu cyffredinol, o ystyried bod y strwythur cyfalaf Dosbarthu Dielw a ddisgrifiwyd uchod yn arwain at ddsbarthiad sector cyhoeddus. Fodd bynnag, bydd y sector cyhoeddus yn gallu arfer dewis i gael cyfran o enillion Partneriaeth Cyhoeddus-preifat drwy gymryd hyd at 20 y cant o'r ecwiti hwn. Byddai hyn yn creu llif o ddifidendau yn ôl i'r sector cyhoeddus, yn lle arian dros ben.

#### Ystyriaeth yr ONS ac Eurostat o'r Model Buddsoddi Cydfuddiannol

11. Cafodd y broses o ddatblygu'r Model Buddsoddi Cydfuddiannol ei llywio gan drafodaethau dosbarthu parhaus (ynghylch MGDD 2016) yng ngweithgor Eurostat Banc Buddsoddi Ewrop, y cyfrannodd swyddogion Llywodraeth Cymru yn sylweddol atynt. Ar y sail eu bod yn fodlon, yng ngoleuni'r trafodaethau hyn, bod y Model Buddsoddi Cydfuddiannol yn bodloni gofynion MGDD 2016 ar gyfer dosbarthiad sector preifat, gwnaeth Llywodraeth Cymru gais i'r ONS am benderfyniad dosbarthiad dangosol ym mis Hydref 2016. Drwy wneud hynny, rhoddodd Llywodraeth Cymru gongtractau ffurf safonol i'r ONS ar gyfer prosiectau ffyrdd a llety (gyda phob un tua 500 tudalen o hyd), cytundeb cyfranddeiliaid safonedig, a chanllaw defnyddwyr MIM. Cafodd y gyfres hon o ddogfennau ei chyflwyno wedi hynny i'r ONS cyn i drafodaethau'r ONS ddechrau o ddifrif.
12. Ym mis Rhagfyr 2016, derbyniwyd ymateb gan yr ONS, yn cadarnhau y byddai'r Model Buddsoddi Cydfuddiannol yn darparu ar gyfer dosbarthiad sector preifat mewn egwyddor. Fodd bynnag, mae'n bwysig cofio y bydd gan yr ONS fudd yn nosbarthiad rhai cynlluniau'r Model Buddsoddi Cydfuddiannol, oherwydd bod

dogfennau safonedig y model hwn wedi cael eu cynllunio ar gyfer prosiectau penodol. Bydd angen bod yn ofalus iawn ar yr adeg hon i sicrhau na wneir newidiadau a fydd yn arwain, drwy amryfusedd, at bryderon dosbarthu. Yn ogystal, bydd Eurostat yn parhau i fonitro datblygiad modelau arloesol megis y Model Buddsoddi Cydfuddiannol.



Llywodraeth Cymru  
Welsh Government

Simon Thomas AC  
Cadeirydd  
Y Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru  
Bae Caerdydd  
Caerdydd  
CF99 1NA

23 Awst 2017

Annwyl Simon

Pan roddais dystiolaeth i'r Pwyllgor Cyllid y llynedd ar Gyllideb Ddrafft 2017-18, fe wnaethom ni drafod cyllidebu cyfranogol a'r gwahanol gamau y mae Llywodraeth Cymru a'r pwyllgor yn eu cymryd i sicrhau bod pobl a chymunedau yn cael eu cynnwys yn y dewisiadau a'r penderfyniadau ariannol anodd y mae Cymru yn eu hwynebu.

Fe wnes i gadarnhau bod Llywodraeth Cymru wedi cytuno i gynnal cynllun peilot ar gyllidebu cyfranogol fel rhan o gylch y Gyllideb eleni.

Er mwyn ein helpu gyda'r gwaith, mae'r Sefydliad Polisi Cyhoeddus i Gymru (PPIW) wedi cynnal adolygiad cyflym o ddulliau gweithredu cyllidebu cyfranogol yn y DU ac yn rhyngwladol. Bydd y PPIW yn cyhoeddi'r adroddiad *Participatory Budgeting: A Rapid Evidence Review* yn ddiweddarach heddiw. Mae'n bleser gen i amgáu copi o'r cyhoeddiad ymlaen llaw. Bydd ar gael drwy'r ddolen gyswllt ganlynol o 10am heddiw.

<http://ppiwi.org.uk/publications/>

Yn eich datganiad i'r Cyfarfod Llawn, Diwygio Cyllidol: Gwersi gan yr Alban, cyfeiriwyd at ddull Llywodraeth yr Alban o gyllidebu cyfranogol. Mae fy swyddogion wedi bod yn trafod gyda What Works Scotland a Llywodraeth yr Alban er mwyn dysgu oddi wrth y dull hwn. Mae adroddiad PPIW a'n dealltwriaeth o'r hyn sydd wedi gweithio'n dda yn yr Alban yn ein helpu i ffurfio cynllun peilot ar gyllidebu cyfranogol yng Nghymru.

Fel rhan o'r camau yr ydym wedi'u cymryd i gynnwys Deddf Llesiant Cenedlaethau'r Dyfodol yn rhan o broses y Gyllideb eleni, fe wnes i drafod cyllidebu cyfranogol gyda Chomisiynydd Cenedlaethau'r Dyfodol. Mae hi wedi croesawu'r cynllun peilot.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Rwy'n awyddus iawn i gydweithio â'r Pwyllgor Cyllid i rannu profiadau am gyllidebu cyfranogol - yn eich datganiad i'r Cyfarfod Llawn, fe wnaethoch gyfeirio at ddigwyddiad diweddar y Pwyllgor Cyllid i randdeiliaid ym Miwmares a digwyddiad cyllidebu cyfranogol yn Ysgol Basaleg.

Byddwn yn croesawu'r cyfle i drafod hyn yn fanylach gyda chi. Fe ofynnaf i'ch swyddfa gysylltu â'ch swyddfa chi i drefnu cyfarfod ym mis Medi.

Yn gywir,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

**Mark Drakeford AM/AC**

Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol  
Cabinet Secretary for Finance and Local Government



Public Policy Institute for Wales  
Sefydliad Polisi Cyhoeddus i Gymru

# Participatory Budgeting: A Rapid Evidence Review

August 2017

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Public Policy Institute for Wales

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## Contents

Summary .....	1
Introduction .....	2
Defining Participatory Budgeting .....	2
The Potential Benefits of Different Approaches .....	6
A Framework for Developing Participatory Budgeting .....	12
The Challenges for Effective Implementation .....	16
Implications for the Welsh Government Budget Process .....	18
References .....	21
Appendix A: Examples of the use of Participatory Budgeting .....	24
Appendix B: The Role of Digital Technology .....	28

## Summary

- The term Participatory Budgeting (PB) has been used to describe a broad range of activities that have been designed to achieve different aims, and implemented in very different contexts. Common to these is the involvement of a local population in decision making regarding the distribution of public funds; although the level and method of involvement runs from full delegation of decision making, to light touch consultation.
- The range of potential benefits depends, for the most part, on the scale and nature of the participation and, by extension, the aim of the process. In Porto Alegre, the birthplace of PB, the process has fundamentally changed the relationship between citizen and state, improved the functioning of government and led to improved public services and infrastructure.
- To date, the use of PB in Wales and the rest of the UK has been more modest and the impact has, as a result, been smaller. Although the available evidence suggests that well implemented PB can lead to improvements in citizen engagement, intergenerational understanding, levels of self-confidence among participants, and in perceptions of public service providers.
- In developing a PB process, the key question is: what are the public being asked to do and why? Clearly articulating the aim of PB, and deciding on the level of desired participation helps to inform subsequent decisions on the scale and scope of the exercise; who should be involved; and the process and methods to be pursued.
- Careful consideration also needs to be given both to the resourcing (i.e. who plays what role and what does this mean for the resourcing of the process), and to the connections with the wider landscape (i.e. how might PB interact with other processes of engagement or participation?).
- The literature emphasises the need to invest time and resources in developing PB processes; particularly for those forms of PB which are based on greater levels of public participation. Depending on the aspirations for the use of PB techniques in the national budget process in Wales, this suggests that the focus in the short term might usefully be on laying the foundations for future budgets (addressing questions of aim, scope, scale etc.). This could be pursued alongside the use of other forms of engagement or consultation that signal an intended direction of travel.

## Introduction

In times of austerity, reduced public sector budgets and mounting demand for public services, budget decisions by public bodies are becoming increasingly difficult and have significant implications for the public. At the same time public trust in politics is seen to be decreasing (Park et al 2013) and public engagement in the political process is limited. Advocates of participatory budgeting argue that it has the potential to address a number of these issues, at least in part.

The Welsh Government is interested in potential benefits of participatory budgeting techniques, and their applicability to the national budgeting process. The Cabinet Secretary for Finance and Local Government asked the PPIW to provide a framework to consider how participatory budgeting techniques might be used for the national budget in Wales. This paper summarises the existing evidence in relation to participatory budgeting and outlines the main issues that need to be considered when looking to implement participatory budgeting techniques.

## Defining Participatory Budgeting

Participatory budgeting (PB) has been used to describe a diverse range of activities, but there is a general consensus that it broadly refers to the process of involving citizens in decision making regarding the distribution of public funds (Herzberg et al 2008; Harkins and Escobar 2016). Using this most basic interpretation of PB, it has been described as a process which:

“directly involves local people in making decisions on the spending priorities for a defined public budget. This means engaging residents and community groups representative of all parts of the community to discuss spending priorities, make spending proposals and vote on them, as well as giving local people a role in the scrutiny and monitoring of the process<sup>1</sup>.” (Department for Communities and Local Government (DCLG), 2011 p.5)

The definition makes explicit reference to ‘local’ people being involved in PB. This is because almost every PB process has involved people at a local or municipal level with the

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<sup>1</sup> The way that PB is scrutinised and monitored varies, but in general there is some form of feedback mechanism to those who made the original decisions, providing information on how the projects are progressing; whether that be through project websites, newsletters, a PB forum or community representatives.

aim of increasing local engagement in the political process. There is currently no evidence of PB being undertaken at national government level. Portugal has just begun to undertake a national PB process but there is currently no evidence as to how successful this process has been.

## The different levels of participation

This definition is helpful in identifying PB as one form of public participation. Public participation, broadly speaking, refers to any forms of “involvement of the public in the affairs and decisions of policy-setting bodies” (Rowe and Frewer 2005 p. 251). Citizen participation is widely considered to take place along a spectrum or continuum. There are a range of conceptual models to illustrate this; one is presented in figure 1 and lends itself well to the purpose of this rapid review.

**Figure 1 – IAP2’s Public Participation Spectrum**

		INCREASING IMPACT ON THE DECISION				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL		To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC		We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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International Association of Public Participation – Public Participation Spectrum - Retrieved from - <http://www.iap2.org/?page=A5>

One end of the spectrum features passive participation based on punctual information sharing. Here organisations simply seek to raise the public's awareness of an issue. The exchange of information is top-down and transactional, with organisations communicating information and the public passively receiving it (Rowe and Frewer 2005 p.255). By contrast, at the other end of the spectrum, public engagement is ongoing, community-led, and involves some degree of community ownership or control of the process and outcomes. This type of engagement is often empowering and, therefore, characterised as 'transformational' within the literature. In these cases, information is not merely exchanged between stakeholders and representatives of organisations, but opinion and views can be transformed as a result of dialogue and negotiation (Rowe and Frewer 2005 p.256).

Public consultation exists somewhere between these two extremes. Consultation is intended to elicit information from stakeholders representing their current views and opinions on an issue in question. It can therefore happen more or less regularly, place more or less weight on citizen's inputs, and delegate more or less power to communities in controlling the process (Head 2007 p.442). Here, the process is neither fully determined by the sponsor organisation from the top-down, nor is it fully community owned from the bottom-up. This type of public participation is therefore transitional, theoretically allowing both the sponsor organisation and the public to share in the process and any resulting benefits (Bowen et al, 2010). Information is divulged by stakeholders after a process of consultation is initiated by a sponsor organisation (Rowe and Frewer 2005 p.255). Control over how the public's input is used nevertheless tends to remain with the sponsor organisation.

## **Participatory budgeting and other forms of participation**

The participation spectrum outlined above can be a helpful way to think about the desired level of participation sought through the PB process. However it is important to note that literature surrounding PB stresses that purely informing the public cannot qualify as a PB process as the public do not have a say in how resources are allocated. Of course, this is not to say that providing information on the budget-setting process and spending priorities has no intrinsic value; but rather that it is not generally considered to be PB.

To qualify as PB, a process must include (at its most basic) a pot of funds to be distributed; citizen or representative participation in deciding how those funds are spent; and project implementation based on the views of the voting public. It is for this reason that budget calculators hardly figure in any of the literature on PB as they do not meet



these three criteria. There are some examples of budget calculators that have been designed to enable effective feedback and monitoring, making them more consultative, but there has been no evaluation of these as a PB process and they are otherwise not widely discussed in the literature on PB. (Sintomer et al 2013).

More fundamentally, PB is only one form of participation, and as such, PB techniques, and research on the same, are part of a wider agenda related to deliberative democracy and democratic innovations more broadly. This field encompasses a variety of participatory devices such as consensus conferences, deliberative polls and citizen juries (Herzberg et al 2008). Whilst these deliberative methods can be adapted for use in various PB processes<sup>2</sup>, they are not directly discussed in the literature and evidence around PB specifically. For this reason, they have not been included in this study. However, Escobar and Elstub (2016) have written a paper which provides a breakdown of the different ways that ‘mini publics’ (for example citizens juries and consensus conferences) can be used to help improve participation and deliberation.

## **The different types of participatory budgeting**

As the discussion above suggests, PB can take many different forms, and be used to achieve different aims, depending on the degree of involvement of, and power delegated to, participants. However, this is not the only way in which approaches can vary and, despite sharing a common name, numerous different types of PB can be identified. Consequently, a number of typologies have been developed to try and classify different practices (see for example, Goldfrank, 2007, DLGG, 2011, Harkins & Escobar, 2015, and Allegretti et al, 2013); across these some common dimensions of variability emerge:

- Level of participation: what involvement means in terms of degree of control (e.g. inputting views versus making the decisions) and whether PB is used as a tool for empowering participants or as a consultation mechanism with little change in power dynamics and influence.
- Who is involved: whether those who participate are, for example, citizens, representative groups, NGOs, or private companies.
- At what stage are participants involved: broadly, there are four stages, all of which could involve participants: identifying needs, developing project proposals, selecting projects to be funded, monitoring effects.

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<sup>2</sup> Such as the use of citizens juries to allocate a PB in Darebin <https://newdemocracy.com.au/ndf-work/182-darebin-participatory-budgeting-citizens-jury>

- What is the method of involvement: there are a wide range of possible approaches, but there are two broad categories – ‘deliberative’, which involves some form of debate among participants; or ‘aggregative’, where participants vote for their preferred outcome. Often PB can involve both deliberative and aggregative approaches.
- Scale of approach: PB has been done at different geographical scales (e.g. national, local, neighborhood); with different types and scale of budget (e.g. small scale grant allocation, or setting priorities for, in some cases multi-million pound, mainstream budgets) and with different foci (e.g. making choices within a policy or thematic area, such as health, or across themes but within a geographical area).
- Whether and to what extent PB is redistributive: PB has been used to redistribute wealth by allocating more resources to the poorest areas.

Of course, these interact and overlap with each other. For example, the scale of the approach taken has implications for the method of involvement and who is involved, and visa versa. The key lesson to be drawn from this plurality of ways of defining and classifying PB is that, while the concept may initially appear clear and easy to grasp, there exist multiple, and at times competing, visions of what PB means and how and why it ought to be implemented. It is therefore very important to clarify what is trying to be achieved through the process before implementing PB at any level.

## The Potential Benefits of Different Approaches

The diversity of approaches to PB means that the potential benefits are equally wide ranging. Fundamentally, it is the level of participation that determines the potential impact of well implemented PB approaches. Where PB uses less involved forms of participation, it can help to inform and educate participants, increase confidence in the public sector and increase local engagement.

Where PB is used as a means of empowering citizens in making decisions, advocates point to a range of potential benefits. Indeed, the World Bank emphasises the democratic and transformational nature of PB highlighting that it:

“represents a direct-democracy approach to budgeting. It offers citizens at large an opportunity to learn about government operations and to deliberate, debate, and influence the allocation of public resources. It is a tool for educating, engaging and empowering citizens and strengthening demand for good governance. The enhanced

transparency and accountability that participatory budgeting creates can help reduce government inefficiency and curb clientelism, patronage, and corruption". (World Bank 2007 p.1)

As this suggests, PB can be used to achieve a much wider set of aims than simply involving the public in financial decision making. Such an approach usually stems from the desire to achieve wider social goals, and often involves new ways of working for all aspects of government. Moreover it is argued that, in so doing, PB has the potential to drive people-powered public services and support innovation and transformation in all areas, but especially those with the most limited resources (Bowers and Blunt 2016).

The evidence supporting these claims, however, is under-developed. While there have been a number of evaluations of individual PB projects, particularly in South America, there is a lack of evidence relating to the impact of PB in general. This is, at least in part, a consequence of the different ways it is implemented, and to the variety of aims it is intended to achieve. This means that PB can be very difficult to evaluate, particularly if there was no original baseline data. That said, evaluations of PB conducted in a number of locations demonstrate the positive impact on citizens' perception of the accountability of the public administration as well as the improvement of good administrative behaviour (Sgueo 2016). There is less evidence to support claims that PB leads to improvements in services, or that engagement and involvement in PB processes can have positive outcomes on overall well-being<sup>3</sup> (Boudling and Wampler 2009).

Finally, PB is an area where it is unlikely that the benefits of an approach in a particular context will be readily transferred to another context. The level of participation and engagement that the public are used to will mean different places begin from different starting points which will lead to different outcomes. Furthermore, the way in which PB is implemented can also have a dramatic impact on its outcomes.

This section presents notable examples of different approaches to PB that have been trialled across the world, which can be seen as representing the two ends of the scale of potential benefits. It starts with a discussion of the original model transformative processes of PB in Porte Alegre which was intended to redistribute wealth. This is followed by a description of the experience in the UK, where approaches have tended to be less redistributive programmes intended to engage citizens in a public consultation over where and how sums of money ought to be spent.

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<sup>3</sup> There is evidence to show that wellbeing is linked to civic engagement, and feelings of influence over decisions that affect one's life. Why this is not replicated across evaluations of PB is unclear.

## **Redistributive Participatory Budgeting: The Example of Porto Alegre (Brazil)**

The original PB experiment took place in Porto Alegre at the end of the 1980s (DCLG 2011, Sintomer et al 2013, Herzberg et al 2011, Sgueo 2016), and it is here that the most transformative impact was made as a result of PB. In the 1980's, the City of Porto Alegre had a significant gap between the rich and poor and suffered from corruption at all levels of decision making. However, the election of the Labour Party (Partido dos Trabalhadores) in 1988 brought with it significant change in the way the area was governed. Citizen participation and decision making were seen as key in changing the fortunes of the city by placing social justice at its heart. Over subsequent years PB was introduced to allocate funds throughout the city, with a particular view to redistributing wealth and improving transparency of decision making to help avoid corruption. The most deprived areas were given more resources, and decisions over the allocation of new capital investments such as schools, roads, sanitation and healthcare were all made through PB.

The Porto Alegre PB process had three primary aims: to achieve social change with redistribution of wealth; to increase social justice in an area that had significant wealth gap; and to reinstate confidence in the political process. A number of robust qualitative and quantitative studies have shown that the process yielded positive results, with greater equality and increased trust in the political process. Specifically, between 1989 and 2001, the new system achieved (Sintomer et al 2013):

- redistribution of public investment to poorer areas;
- improving services and infrastructure based on the citizens' proposals;
- improving governance cooperation between individual administrative departments;
- a speed-up of internal administrative operations and greater responsiveness on the part of public administration; and
- improved citizen participation.

It is for these reasons that Porto Alegre is cited as an example of best practice regarding urban policy making by both the World Bank and UN-Habitat (UNDP, 2001).

In keeping with the broader literature on PB (e.g. Abers, 2000; Baiocchi, 2005; Gret and Sintomer, 2005), Herzberg et al (2008 p.167) highlight three principles which enabled Porto Alegre to succeed:

1. Grassroots democracy - Citizen assemblies were set up in 16 districts of the city to determine priorities for those areas and elect delegates whose role was to ensure

these priorities were delivered. These priorities were decided on the basis of one vote per person so that each participant could participate equally in the decision making.

2. Social Justice – An allocation formula for funding was created which considered the number of residents, the infrastructure available and the citizens' priorities. This meant that those areas which were less well-off received more than areas with a better quality of life. This helped to guarantee redistributive outcomes.
3. Citizen-led – Boards such as the Council of the Participatory Budget were set up with representatives from each of the district assemblies. These boards ensure that as many of the districts' priorities as possible are accommodated within the budget.

Using these principles to structure and deliver the PB process allowed citizens to have a real impact on decision making and there were significant societal changes in the city, as well as redistribution of resources focused on the poorest areas. However, experts stress that these achievements were down, on the one hand, to a strong political will and, on the other, to the bottom-up mobilization of the people of Porto Alegre. Studies of other attempts at PB which were introduced as a top-down initiative have been found to have less pronounced positive impacts as the participation infrastructure was not as developed and political will not as strong as in Porto Alegre (Herzberg et al 2008).

## **Consultative Participatory Budgeting: Experiences in the UK**

PB in Europe has always differed from that of Latin America. Because water, sanitation and public services were further developed and corruption less widespread, regions tended to focus on PB as a means of public engagement and project implementation rather than resource redistribution and mainstream budget allocation. As a result of this, the benefits of the different systems that have been implemented in Europe are much more varied and less redistributory in nature.

In the UK, PB has been primarily based on smaller grant allocation schemes, in contrast to the mainstream budgets used in many Brazilian models. When Rocke undertook an evaluation of the interventions in the UK to date the key finding was “concrete results, but limited impact” (in Harkins and Escobar, 2015 p.7), with a small positive impact on a range of outcomes for participants, including:

- Improved self-confidence of individuals and organisations;
- Improved intergenerational understanding;

- Greater local involvement with increased volunteering and the formation of new groups;
- Improved citizen awareness of councillors in their wards;
- Increased confidence of citizens in local service providers; and
- Increased resident control over the allocation of some resources.

PB in England was also found to be able to attract additional funds to deprived areas by providing an effective methodology for distributing money that funders could be confident in. Furthermore, the process of PB improved the transparency of decision making and the quality of information that was provided publicly (DCLG 2011<sup>4</sup>).

In comparison to countries such as France and Portugal, the use and scale of PB in the UK has been modest and tends to have involved the allocation of small grants. Under this model, residents are given a say in the kind of projects that will be run in their communities. Nevertheless, some projects in the UK have been of a larger scale. For example the London borough of Tower Hamlets, allocated over £5 million and Newcastle set aside £2.25 million for PB projects. However, PB in the UK is not generally seen as a means of producing social change. Rather, it has tended to be used as a means of increasing community engagement, empowerment, cohesion and pride (Sguelo 2016).

## **PB in Wales**

Much like the rest of the UK, PB in Wales has been delivered via smaller grants by voluntary organisations and public bodies. The sums involved have not been particularly large but many of the processes have mirrored those used by larger PB funds, adapting them to a smaller scale. The Police and Crime Commissioner in North Wales, for example, used PB to allow community groups in Wrexham and Flintshire to bid for a share of £42,000 made up of money seized from criminals. At the smaller end of the scale, the housing association Cartrefi Conway used PB to distribute small community grants of up to £2,500. Residents were encouraged to submit ideas which then shortlisted before moving on to a community voting process.

Local councils have also used PB to distribute funds in various ways across Wales. Colwyn Bay Town Council allocated £50,000 to PB to prioritise projects for young people whilst Denbighshire County Council ran a PB project for local residents to spend £25,000 in Ruthin

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<sup>4</sup> The study by the DCLG provides a comprehensive review of PB in England analysing factors for success as well as the variety of costs for PB exercises at a local authority level.

park. Coedpoeth Community Council used PB to help allocate their Community Council funds. The Community Safety partnership in Blaenau Gwent asked residents to submit project proposals of up to £3,000 which were then allocated via a PB process.

Gwynydd Council have also used a budget calculator mechanism (the Gwynydd Challenge) to allow residents to feed in their views on the Council budget. Like many of the better calculators, this process outlines the different elements of the budget spend and the potential outcome of cutting funds in particular services. However, many would not see this as true PB as no pot of money is allocated for distribution, and the final decisions are made by the councillors and not through public voting.

The Welsh Government have also produced a toolkit for using PB with young people<sup>5</sup> but we were unable to find any evaluation of its impact in Wales.

Whilst there are a number of examples of PB in Wales, it is fair to say that the practice is not widespread amongst any area or organisations. However, the examples above show that there is potential for PB to be used in a number of different areas of Wales and across a number of organisations.

## **PB in Scotland**

PB in Scotland has been increasing over the last few years with the Scottish Government driving to improve engagement and participation of citizens in decision making. This ambition was developed into policy through the Community Empowerment (Scotland) act of 2015 which aimed (amongst other things) to strengthen citizens voices in the decisions and services that matter to them. In order to achieve, this the Scottish Government have created the Community Choices fund (£1.5 million) specifically to fund and support PB in Scotland. This is a national budget but delivered locally and has a redistributive element with the funding targeted particularly in deprived areas. The fund aims to build on the support provided by the Scottish Government for PB since 2014 as part of a broader agenda around democratic innovation and engaged citizenship. The fund has been used for numerous local projects across Scotland. Glasgow University has been commissioned to review the impact of this work but the evaluation report is not due until

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<sup>5</sup> <https://pbnetwork.org.uk/wp-content/uploads/2015/04/Welsh-Govt-PB-toolkit.pdf>



August 2017<sup>6</sup>. Interestingly, although the process of participation is locally led, the Scottish Government sees it as a national PB programme prioritised to those areas which are most deprived.

## A Framework for Developing Participatory Budgeting

As set out above, whilst there are numerous differing typologies of PB and disagreement over its intended aims and purposes, it is nevertheless possible to distill some dimensions of variability that can structure the development of a PB process. Below we frame these as questions that need to be addressed in determining the approach to be pursued. But it is worth noting that the answer to each of these interacts with the answer to the others and, fundamentally, to the question of what the overall aim is (the first question).

Alongside these questions, there is a separate issue about whether and to what extent the PB process should seek to redistribute wealth, as well as important questions about resources (who plays what role and what this means for the resourcing of the process), and about the interaction between any new PB process and the existing legislative and institutional landscape (e.g. The Well-Being of Future Generations Act, Public Service Boards, Town and Community Councils, third sector organisations etc.).

### ***What is the aim?***

This is the first and most fundamental question, and should shape the development of the whole process. As the previous section shows, there are different possible outcomes from engaging people in budgetary decisions, which are linked to the level of participation but go more broadly than this. For example, one might seek to use PB:

- as a way of changing the relationship between citizen and state, and developing new forms of governing; or
- to engage people who feel disempowered and disconnected from governmental decision making; or
- to improve 'buy-in' for budgetary decisions; or

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<sup>6</sup> More information about the projects funded can be found at <https://pbscotland.scot/>. *What Works Scotland*, have also produced a number of reviews and guides relating to PB (all of which can be found here <http://whatworksscotland.ac.uk/>) and PB Scotland also acts as a hub for sharing and learning about the work being done by PB initiatives around Scotland. The PB Network [<https://pbnetwork.org.uk/category/resources/case-studies/>] plays a similar role across the UK



- to work with a specific population to improve the allocation of resources in a particular area (either geographical, or area of spend).

This list is purely illustrative, but each would have different implications for the subsequent questions – about the level of participation, who would participate, when and how. They would also have different implications for the amount of time and resources that would need to be invested to develop and manage the required structures and process, and to address any associated capacity issues.

### ***What should the degree of participation be?***

As discussed above (see figure 1), different types of PB can be categorised according to the level of participation that might be used in the process, from consultation, through involvement and collaboration, to empowerment<sup>7</sup>. As one moves across the spectrum from consultation through to empowerment, decision making responsibility shifts from elected representatives to citizens.

Control and decision making are areas of significant debate in the context of PB. Many commentators argue that, to qualify as PB, the process must allow the participants to have control of decision making, but there are variations of PB where the eventual decision still rests with elected representatives, or statutory bodies.

Ultimately the level of participation has to reflect the intended aim. It will also determine which types of participatory method would be appropriate to pursue.

### ***What is the scale of the PB process?***

There are different elements to the question of scale:

#### Geographical scale (e.g. national, regional or local)

Almost all of the examples of PB to date have been at a local / municipality level. However, larger PB experiments have taken place in Paris and New York, and Portugal is now attempting a national PB exercise (although this builds on ten years of experience of running local PB projects). Smaller geographical areas make the process easier and less resource intensive to manage. Larger scale PB exercises also need to mitigate against the risk that the projects funded are concentrated in certain areas and are not 'visible' to the wider population.

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<sup>7</sup> As discussed above, the lowest level of participation – 'inform' – is not considered sufficient to be a form of PB.

### Budget type and scale (e.g. small grant allocation, or setting priorities for mainstream budgets)

In the UK, community grant allocation has been the main form of PB funding, but using mainstream budgets can lead to more significant changes to traditional service delivery mechanisms, and is more likely to be sustainable (Harkins and Escobar, 2015).

### The focus (whether a budget is linked to a specific theme, such as local regeneration, or linked to a geographical area)

The current national PB process in Portugal, for example, is focused around five themes: culture, agriculture, science, education and training of adults. But it also has a geographical dimension, with 8 groups of proposals, targeting different territories: 1 is nationwide; 1 for each of the 5 regions of mainland Portugal; and 1 for each of the 2 Autonomous Regions (Azores and Madeira). These groups do not compete with each other, since each one has its own equal financial allocation (more information on the Portuguese national model can be found in Appendix A).

### ***Who will be involved in the process?***

In some examples, PB has involved whole populations within a specific area (such as in Paris). Others have targeted specific groups. For example, Boston allocated \$1m of capital funds for young people to spend through PB. The project, *Youth Lead the Change: Participatory Budgeting Boston*, has engaged thousands of young people in the democratic process (Idox 2016). Other examples include a combination of representative groups, NGOs, or private companies. Identifying who will be involved in the process can have a dramatic effect on both the resources involved and the eventual outcome.

The participants identified to be involved should be led by both the initial aim of the process and the scale at which it is being operated. Toronto Community Housing (TCH) for example wanted to give TCH residents the opportunity to decide how to spend capital funds to improve their communities. They therefore used tenants' councils to receive project suggestions from residents and then agree the priority projects for their district. Representatives from these councils also met to decide on two projects to be implemented for TCH as a whole (Sintomer et al 2013).

### ***What stage will people be involved?***

It is possible to identify five stages to a PB process (adapted from Leighninger and Rinehart 2016):

1. Allocation of a portion of a public body's budget to PB
2. Articulating what the 'need' is that will be addressed through the PB process
3. Development of project proposals
4. Selection of projects to be funded
5. Authorities then commit to implementing the winning projects which are subsequently monitored and reported on

Depending on the approach taken, participants might be involved from stage two onwards. Again, the overall aim should help to determine which stage(s) participants are involved in and in what way. If the intention is to empower participants, for example, this might suggest involving them at every stage of the process – simply allowing people to vote on a set of proposals that have already been decided risks being viewed as tokenistic.

The approach taken in Paris is interesting in this regard. Starting in 2014, the newly elected Mayor was determined to implement PB as soon as possible, accepting that their first iteration would not be perfect and that it would be a learning process. Initially the Mayor's office selected 15 projects and asked Parisians to prioritise them. The second round was much more comprehensive, with the Mayor and her team implementing both digital and offline systems by which citizens could suggest project ideas with appropriate support. These ideas were then vetted against a number of criteria, of which feasibility was vital. Once shortlisted, a funded public campaign was organised to raise awareness and allow people to be informed and debate the projects' merits. Finally, a vote took place in order to prioritise differing projects, and the successful projects were implemented. Each of the successful projects was monitored to ensure they were being implemented effectively (Napolitano 2015).

### ***What is the method of involvement?***

There are many different methods or approaches to involving and engaging participants. Broadly, it is helpful to distinguish between two categories: deliberative and aggregative (Harkins and Escobar, 2015). The former encourages discussion and debate among participants. Aggregative approaches are based on participants voting.

Many advocates of PB argue that a deliberative process whereby participants can discuss and debate the merits of differing proposals before voting is an intrinsic part of PB. However, there are examples of PB which do not involve any deliberation, or where only representatives or delegates are involved in deliberation. Moreover, different methods might be used at different stages of the process; for example, projects could be developed through deliberation among delegates, but then a wider group vote on which of these projects are funded.

The development of digital technologies has enabled people to be involved in PB in differing ways. There are examples (such as Cologne) where PB processes are conducted purely online with project suggestions submitted electronically, debate conducted via blogs and forums before a final vote is made through electronic means (Sintomer et al 2013). Other PB experiments have used a combination of digital and face-to-face mechanisms to improve participation and deliberation. More information on the use of digital in PB can be found in Appendix B, but the important lesson from the evidence is that digital PB should be used alongside traditional forms of engagement to complement the mechanisms, rather than in isolation.

## The Challenges for Effective Implementation

The available evidence points to a number of challenges relating to the implementation of PB which are important to consider.

### **Engagement and representation**

Ensuring that any PB process genuinely reflects the views of the whole of society rather than a small and elite minority of participants is a considerable challenge. For example, a common criticism of attempts at PB in Germany is that participants are typically middle aged, highly qualified, employed men (Masser 2016). In other words, those most likely to participate in PB processes in Germany are those already best represented in most other political processes. Tackling this means not only widening participation, but targeting those who are 'hardest to reach'.

Evidence suggests that the representative and participatory potential of PB hinges on four factors. Firstly, in order to ensure sustained engagement with PB processes and limit attrition over time, it is paramount that the process result in tangible outcomes to prove that people's engagement has had an impact. Secondly, the process also needs to be ongoing, in order to build support and increase engagement over a long period (Sintomer et al 2103). Thirdly, there also needs to be effective marketing of the PB process to ensure everyone is aware of what is happening, how they can be involved and the impact that can be made. Finally, additional resources are often required to target those who are hardest to reach to ensure broad participation.

There is the potential to use digital technologies to reach a much broader range of participants. One particularly interesting example is in Portugal where there are plans to trial the use of ATMs to offer people the opportunity to vote on PB projects. However,

using digital technology does not guarantee wider participation, and the evidence recommends that digital mechanisms should always be used alongside traditional face-to-face engagement to maximise participation and ensure everyone has the opportunity to contribute (Democratic Society 2016).

## **Sustaining the process**

One of the recurrent problems encountered with PB, including in those areas with considerable experience of deploying PB processes (such as in Brazil or Spanish cities like Cordoba), concerns the discontinuation of the process due to changes of administration and lack of cross-party support. One of the fundamentals of PB is that it needs to be a continuous process to succeed. Even in Portugal where there has been localised PB for over ten years, officials believe it will take over five years for their national PB process to bed in. However, party politics can easily override the community politics on which PB often depends, leaving participatory institutions typically at the mercy of representative institutions (Harkins and Escobar 2015).

This is a difficult issue to avoid, as politicians and political parties often differ on their views of, and support for, PB. The most obvious solution is to get cross-party consensus and potentially to make some statutory commitment. An alternative is to develop the process in a way that encourages it to become socially and institutionally embedded (e.g. through encouraging its use at multiple levels, with a range of institutions and with a wide range of people).

## **Tangible outcomes and a transparent process**

To be successful, participants must be able to see the impact of their contribution<sup>8</sup>. Any PB process must have a tangible result that citizens feel they have participated in achieving. In the absence of actions resulting from a PB process, individuals will quickly become disillusioned and disengaged from the process, since their efforts are not linked to concrete impact.

Where people are voting on projects, it is important that all projects be assessed as feasible before the voting process gets underway. Assessing the feasibility of a project is normally a

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<sup>8</sup> This is one of the reasons why budget calculators are typically not classified as type of PB, since it is very difficult for participants to see how their involvement influenced decision making or what outcomes stemmed from their engagement. There are some examples where there has been effective feedback from budget calculators which are briefly mentioned in the literature, but they are not generally referred to as a PB mechanism.

task undertaken by the organisation overseeing the PB process. Feasibility should be tested against pre-written criteria in order to ensure a transparent account of why a project was accepted or rejected. Depending on the scale of the PB process, this may place a considerable duty on responsible organisations. For example, in the second year of its implementation, the Paris PB process received 5,000 project ideas. Using clear feasibility criteria, these were subsequently sifted down to 77 Paris-wide, and 500 district-specific, projects (De Bulb 2016).

However, whilst feasibility is a necessary condition for successful projects, it is not sufficient to guarantee favourable outcomes. Support for selected projects must also continue throughout implementation, and progress must be continually fed back to demonstrate impact.

## **Measurement and evidence for PB**

Given the diversity of possible aims and approaches, it is important to think about what impact PB is intended to have, and how this will be measured. Effective baseline data need to be collected to allow the measurement of improvements in the stated aims and objectives. Without these elements, it may always be possible to give an intuitively plausible account of the positive impacts of PB, but it will not be possible to empirically prove it or explain what causal mechanisms are at the heart of the process. This points to the need for a robust evaluation framework surrounding PB approaches, making clear the aims and objectives, the causal mechanisms which will deliver them and the evidence which could be used to assess their effectiveness.

## **Governance and capacity**

Effective PB processes are driven by strong effective leadership and ownership of the process. Areas also need to have both the technical competence and resources to conduct selected projects, alongside robust accountability mechanisms that ensure projects are undertaken and that people's views are represented. Finally, meaningful participation in a PB process will require citizens to be able to access the necessary information and skills to make informed decisions about how funding should be allocated.

# Implications for the Welsh Government Budget Process

The first step in designing a PB process for the national budget in Wales will be determining what it is that the process is seeking to achieve. What is clear from the evidence reviewed is

that more ambitious aims require time and resources to become established. As experience from elsewhere shows, this can usefully start with more modest approaches that evolve over time; for example scaling up the participation across the different stages (as with the example in Paris), so that in year one participants vote on possible projects, but in subsequent years, they are also asked to put forward ideas for projects to be voted on.

It will also be important to consider the scale, both in terms of the geographical footprint and the type of budget that would be subject to PB. Launching a national process which does not build on local or regional processes would be unprecedented, and careful consideration would need to be given to how to ensure equitable distribution both in terms of participation and in terms of the beneficiaries of any funding. In a time of budget pressures, identifying new funding to distribute through PB will be challenging, and recommending that areas of mainstream funding be allocated by or diverted to PB may encounter opposition.

Depending on the level of ambition, it will be important to appropriately resource any PB process. Genuine, meaningful engagement is resource intensive, and inadequate resourcing of any process risks not only failing to realise potential benefits, but also generating negative outcomes in terms of public disengagement and disillusionment.

Finally, while the legislative, policy and institutional landscape in Wales arguably lends itself to the development of PB, it will be important to map existing engagement activities by public bodies in Wales to ensure that any new process is, at the very least, not duplicative.

Depending on the aspirations for the use of PB techniques in the national budget process in Wales, this suggests that the focus in the short term might usefully be on laying the foundations for future budgets through, for example:

- Deciding what the Welsh Government wants to achieve through PB (e.g. redistribution, increased political engagement, more transparency etc.) and what level of participation there will be from the public;
- Establishing a baseline measurement for the areas WG would like to improve (e.g. understanding of budgets / awareness of budget pressures / engagement / trust in politics);
- Testing which tools might be most suitable for engagement;
- Identifying different stakeholders who could be involved in engagement events;
- Planning how the digital and face-to-face data will be analysed; and
- Exploring how differing levels of Government can be involved in PB so that it becomes recognised as part of the governing process rather than a one-off exercise.

This could be pursued alongside the use of other forms of engagement or consultation that signal an intended direction of travel. It could be possible, for example, for the Welsh

Government to engage with certain groups on their budget proposals at an early stage in order to get feedback. It may also be possible to set up an online budget calculator tool using a number of off-the-shelf systems available (e.g You Choose<sup>9</sup>). This would allow citizens to input how they would allocate public finances and would provide valuable information with which to complement existing stakeholder group feedback. If this approach were pursued, it would be important to be clear about whether and how it fitted in to broader engagement and future aspirations for PB in Wales. Without this, it might risk people feeling further removed from the decision making process.

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<sup>9</sup> You Choose is an online budget simulator which has been used by a number of local authorities across the UK to involve the public in seeing how they would address budget pressures. More information about You Choose can be found <https://www.local.gov.uk/our-support/research/software-and-tools/youchoose-budget-tool>



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## Appendix A: Examples of the use of Participatory Budgeting

Since the original experiment in Porto Alegre in 1989, there are now estimated to be over 1000 examples of PB in Latin America, representing over a third of the instances of PB worldwide (Sgueo 2016). In Europe there are also more than 1000 examples of PB in practice across more than 100 European cities, including in large cities like Paris, Seville, Spain, Rome, Lisbon and Berlin (Herzberg et al 2008). The PB processes implemented across these areas demonstrate the significant diversity PB can take, not only in terms of scale and scope of participation, but in terms of funds allocated, political principles espoused, and capacity for the process to be sustained over time.

For instance, while PB has been routinely used by certain Latin American countries as a means of redistributing wealth since the late 1980s, North America is only beginning to embrace it. Thus, for example, New York spent over \$24 million through PB in 2014, using money that was previously under the sole control of elected politicians and public officials. Further, in 2015, for the second year in a row, the city of Boston allocated \$1,000,000 of capital funds for young people to spend through PB. The project, *Youth Lead the Change: Participatory Budgeting Boston*, has engaged thousands of young people in the democratic process (Idox 2016).

In contrast to the primarily deliberative PB processes of large American cities, Iceland has based its PB experiment on a hybrid model, coupling deliberative and redistributive goals to help prioritise its spending since the introduction of austerity in the wake of the 2008 economic crisis. Participatory democracy is at the centre of its strategy to re-engage people and rebuild democratic systems. Through its PB project, *Better Neighbourhoods*, 300 million Icelandic Krona (ISK) (about £1.4m) is allocated each year based on citizens' ideas of how to improve 10 different neighbourhoods in Reykjavik, the capital city. Citizens submit their ideas for projects they think will improve their neighbourhoods, and the City of Reykjavik evaluates the costs and feasibility of each project. In this way, Iceland has seen tens of thousands of people participate in the PB process, with over 1000 ideas submitted and 420 approved (Idox 2016).

To date, the largest sum of public money ever to be allocated for a PB process in Europe was \$426 million between 2015 and 2020, by the newly elected mayor in Paris. More details on PB in Paris are in the section below.

## Paris

Paris has the biggest PB in Europe but is still relatively new to implementing this sort of process. Starting in 2014, the newly elected mayor was determined to implement PB as soon as possible, accepting that their first iteration would not be perfect and that it would be a learning process. Initially the mayor's office selected 15 projects for Parisians to prioritise as the PB exercise. However, the second round was much more comprehensive, with the Mayor and her team implementing both digital and offline systems by which citizens can suggest project ideas with appropriate support. These ideas are then vetted against a number of criteria, of which feasibility is vital. Once shortlisted, a funded public campaign is organised to raise awareness and allow people to be informed and debate the projects' merits. Finally, a vote takes place in order to prioritise differing projects, and the successful projects are implemented. Each of the successful projects are then monitored to ensure they are being implemented effectively (Napolitano 2015). One particularity of the Paris model concerns its 'nested' structure, whereby, in addition to there being a Paris-wide PB process, each of the 20 districts in Paris also have their own PB fund. In order to ensure the effectiveness of the process at both the district and city level, resources have been granted to both involve people and develop appropriate technologies to help people in the design and implementation of their ideas.

## Portugal

Portugal recently became the first country in the world to introduce a participatory budget at the national level, building on many years' experience of implementing PB at the local level. Nevertheless, Portugal's national PB process remains less well-known and recognised than its regional and local programmes, which have been running for a number of years. As a result, Portuguese authorities believe it will take at least five more years for the nationwide program to become known and recognised.

The national Participatory Budget integrates groups of proposals with different territorial scope – from the regional to the national. This is intended to allow for complete coverage of the country, as well as broader engagement between local communities and citizens. The Participatory Budget Project (PBP) has 8 groups of proposals according to territory scope: 1 nationwide; 1 for each of the 5 regions of mainland Portugal; 1 for each of the 2 Autonomous Regions (Azores and Madeira). These groups do not compete with each other, since each one has its own equal financial allocation.

The total budget will be EUR 3 million, to be included in the 2017 state budget. The money will be invested in the areas of culture, agriculture, science, education and training of adults.



The process has two main phases: the phase for presenting proposals and a phase for voting on the projects. The phase for presenting proposals takes place between January and April. All proposals for the PBP must be presented in person at Participative Meetings, held in several places throughout the country. Proposals should provide details of project implementation and identify the territories covered in order to provide a concrete analysis and rigorous costing.

The voting phase takes place between June and September. Each citizen will have the right to two votes – one for regional projects and another for national projects – and may choose to vote through the online portal or by SMS. Voting via ATM is being considered for a possible 2018 implementation.

**Timetable (2017)** - Information taken from Portugal PB website <https://opp.gov.pt/>

#### **1st stage - 9 January to 21 April 2017**

Discussion and elaboration of proposals to the OPP (Participatory Budget Portugal [translation]), in Participative Meetings, in the 7 OPP regions. Envisaged the completion of at least two participatory meetings for each NUT II and autonomous regions to cover the largest possible number of people.

#### **2nd phase - 24 April to 12 May 2017**

Technical analysis of the proposals and transformation into projects for each of the ministries and Regional Secretariats and the respective services, with skills in the areas of the proposals.

#### **3rd Phase - 15 May to 31 May 2017**

Publication of the provisional list of projects to put it to a vote and period for challenge by proponents.

#### **4th Phase - 1 June to 15 September 2017**

Vote by citizens in OPP projects of your choice.

#### **5th Stage - September 2017**

Public presentation of the winning projects.



## Online-based participatory budget of the city of Cologne

Participatory budgeting has been growing quite significantly over the past 20 years but the German model is very different from the original Porte Alegre PB as it did not have redistribution and anti-corruption as its main aim. Instead much of the PB exercises in Germany are firstly trying to modernise local government structures through citizen participation and secondly moving towards more responsive government by giving citizens a greater say in decision making (Ruesch and Wagner 2012). Cologne is just one example of PB in Germany but is interesting because it was conducted completely online. There are mixed views as to whether this is a positive or negative methodology and this is discussed more in Appendix B but the information below provides an insight as to how the PB exercise was conducted.

“ Every year, over a four-week period citizens are able to submit their proposals on the city’s expenditure, cost-saving measures and revenues using the <http://buengerhaushalt.stadt-koeln.de/> platform, where they can also comment on and rate proposals made by other citizens and the local authority. The ten most highly rated proposals are then reviewed by the administration, and forwarded to the Cologne city council along with a statement. The individual proposals and the decisions taken by the council are explained in the accountability report and on the online platform. The threshold for participating online is low, requiring only a user name and password. Citizens who do not have access to the Internet can submit proposals through a call centre or in writing. Thanks also to its intensive public relations work, Cologne achieved very high participation rates of 11,000 and 14,000 active participants in its first and second participatory budgets.” Ruesch and Wagner (2012) Pg 11





## Appendix B: The Role of Digital Technology

Improvements in digital technology give PB practitioners the opportunity to reach significantly more people than traditional engagement methods, which are usually predicated on physical presence at meetings. Technology also simplifies the decision making process by providing simple voting mechanisms via a computer, tablet or smart phone. A number of local authorities have begun to use technology to provide interactive budget calculators. These allow local citizens to see where money is being spent and make suggestions as to how priorities / spending could be changed in an area. Importantly, many of the programs flag up the implications these changes could have on service delivery to allow citizens to make more informed decisions. Examples of these budget calculators include:

- <https://www.letstalkbudget.org.uk/>
- <http://youchoose.esd.org.uk/Lewisham/home/index/2014>
- [http://www.highland.gov.uk/news/article/9957/see\\_the\\_challenges\\_of\\_setting\\_the\\_council\\_budget\\_with\\_our\\_budget\\_simulator](http://www.highland.gov.uk/news/article/9957/see_the_challenges_of_setting_the_council_budget_with_our_budget_simulator)
- <https://youchoose.esd.org.uk/liverpool>
- <http://budgetcalculator.shapeauckland.co.nz/>

However, many PB advocates would not see these budget calculators as a true PB process. Indeed, whilst budget calculators engage the public in the budget process, there is no actual pot of funds to be allocated, no deliberation mechanism for debate and no meaningful final vote as to what the outcome will be. Some can be more consultative than others, when they inform participants about how their views influenced eventual budget decisions. Nevertheless, these tools are generally used as a means of informing citizens on budgetary pressures rather than properly engaging them in a process.

*What Works Scotland* has done its own investigation into the use of digital technologies for PB (Democratic Society 2016) and found that there are some very promising digital tools that can help with all aspects of the PB process. This includes tools for making project suggestions, for hosting deliberation fora and multiple tools for voting. However, some of these instruments are more specialised than others, and may be more appropriate, suitable, or effective at different stages of the process. The digital tools that they recommend include (see Democratic Society 2016):

- Dialogue' by Delib – Demo available at: <https://pb.dialogue-app.com/>



- Your Priorities’ & ‘Open Active Voting’ by Citizens Foundation – Demos available at <https://scotland-pb-demo.yrpri.org/> and <https://tiny.cc/pbscot>
- Participare’ by Change Tomorrow – Demo available from <https://myalba.participare.io/#/>
- Democracy 2.1 – Demo available from <http://tiny.cc/pbd21>
- Zilino by Intellitics – Demo available from <http://scotland-pb-demo.zilino.com/>

However, whilst their review does identify the positive elements of using digital in PB, there are also some very strong warnings about an over-reliance on technology. The report stresses that, whilst digital tools can increase participation in PB, they need to be complimentary to existing engagement mechanisms and not replace them. Furthermore, the authors also caution against an over-reliance on technology as it is the quality of the PB process itself, as well as the manner in which digital tools are employed, rather than simply their use, that will determine the success of a PB process. Indeed, the study also found that digital tools can have their own issues for engagement by leading to the formation of a ‘digital divide’ between those who can, or have the skills to, access the digital sphere, and to those who cannot, or do not wish to participate using digital means (Democratic society 2016). They therefore warn against institutions taking a ‘digital only’ approach and advocate using both online and offline tools for all aspects of the process, while ensuring that these are effectively integrated and not seen as separate from each other.

# The Public Policy Institute for Wales

The Public Policy Institute for Wales improves policy making and delivery by commissioning and promoting the use of independent expert analysis and advice. The Institute is independent of government but works closely with policy makers to help develop fresh thinking about how to address strategic challenges and complex policy issues. It:

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- Signposts relevant research and commissions policy experts to provide additional analysis and advice where there are evidence gaps;
- Provides a strong link between What Works Centres and policy makers in Wales; and
- Leads a programme of research on What Works in Tackling Poverty.

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Annwgf Simon,

Diolch i chi am waith craffu'ch Pwyllgor ar Gyllideb Atodol Gyntaf 2017-18 a'r adroddiad a ddaeth yn ei sgil.

Amgaeaf ymateb ysgrifenedig i'r argymhelliad a wnaed.

Gobeithio y bydd hyn yn ddefnyddiol ac edrychaf ymlaen at gydweithio â chi yn y dyfodol.

In gywir,

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Only correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## **Ymateb Ysgrifenedig i Adroddiad y Pwyllgor Cyllid: Craffu ar Gyllideb Atodol Gyntaf Llywodraeth Cymru 2017-18.**

**23 Awst 2017**

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Y Gyllideb Atodol hon oedd y cyfle cyntaf i ddiwygio cynlluniau cyllidebol ar gyfer y flwyddyn ariannol bresennol a gyhoeddwyd yn Rhagfyr 2016 ac a gymeradwywyd gan y Cynulliad ar 10 Ionawr 2017.

Natur weinyddol oedd i'r gyllideb yn bennaf a bu iddo reoleiddio nifer bach o ddyraniadau o'r cronfeydd wrth gefn, symiau sy'n cael eu cyfnewid rhwng adnoddau a chyfalaf ac adnoddau a throsglwyddiadau rhwng portffolios. Roedd yn cynnwys addasiadau i Gyllideb DEL Cymru i adlewyrchu trosglwyddiadau a symiau canlyniadol a dderbyniwyd yng nghyllideb Llywodraeth y DU ym mis Mawrth 2017, ac roedd hefyd yn adlewyrchu newidiadau yn rhagolygon Gwariant a Reolir yn Flynyddol.

Hoffwn ddiolch i'r Pwyllgor Cyllid am y gwaith a wnaed ac rwyf yn edrych ymlaen at weithio mewn partneriaeth â'r Aelodau yn y dyfodol.

**Ceir ymateb manwl i argymhelliad yr adroddiad isod:**

### **Argymhelliad**

~~Mae'r Pwyllgor yn argymhell bod Llywodraeth Cymru, wrth ddatblygu'r fasnachfaint rheilffyrdd newydd, yn sicrhau bod contractau ar gyfer gwella gwasanaethau'n cael eu drafftio'n dynn i osod cyfrifoldeb ar y cwmni i ariannu gwelliannau megis wi-fi.~~

**Ymateb:** Derbyn

Mae Trafnidiaeth Cymru'n defnyddio proses gaffael gystadleuol i nodi'r partner sydd orau gennym i weithredu'r fasnachfaint nesaf. Nod deialog gystadleuol yw datblygu un neu ragor o atebion amgen addas sy'n gallu bodloni ein

gofynion, a oedd yn angenrheidiol yn ein barn ni gan ein bod yn ceisio atebion arloesol ar gyfer darparu gwasanaethau rheilffyrdd.

Mae'r broses gystadleuol yn gyrru gwerth am arian mewn prosiectau caffael seilwaith cymhleth a gwerth uchel. Mae'r broses yn cadw cystadleuaeth, yn darparu atebion gwell gyda bargaen well i'r sector cyhoeddus, ac yn darparu rheolaeth well dros newidiadau mewn cwrpas a chodiadau mewn cost a welir yn aml wrth ddarparu prosiectau cymhleth.

Rydym wedi datblygu meini prawf gwerthuso a methodoleg sgorio sydd wedi'i theilwra i'r caffael cymhleth sy'n ymateb i'n blaenoriaethau.

**Y goblygiadau ariannol: Dim.**

**Mark Drakeford AC**

**Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol**

Carl Sargeant AC/AM  
Ysgrifennydd y Cabinet dros Gymunedau a Phlant  
Cabinet Secretary for Communities and Children



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA - L/CS/0496/17

Simon Thomas AC  
Cadeirydd  
Y Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru

12 Medi 2017

Annwyl Simon

### **BIL DIDDYMU'R HAWL I BRYNU A HAWLIAU CYSYLLTIEDIG (CYMRU)**

Hoffwn ddiolch i chi a'ch cydweithwyr ar y Pwyllgor Cyllid am eich ystyriaeth o Fil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru) yn ystod proses graffu Cyfnod 1.

Rwyf wedi ystyried yn ofalus y safbwyntiau a fynegwyd yn yr adroddiad a byddaf yn cyhoeddi'r wybodaeth ariannol ddiweddaraf yn y Memorandwm Esboniadol diwygiedig ar ôl cwblhau Cyfnod 2. Byddaf yn sicrhau bod copi o'r Memorandwm diwygiedig yn cael ei anfon at y Pwyllgor.

Yn gywir

**Carl Sargeant AC/AM**  
Ysgrifennydd y Cabinet dros Gymunedau a Phlant  
Cabinet Secretary for Communities and Children

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

### **Tudalen y pecyn 59**

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Simon Thomas AC  
Cadeirydd y Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru  
Tŷ Hywel  
Bae Caerdydd  
CF99 1NA

18 Medi 2017

Annwyl Simon

## **Tanwariant o Benderfyniad y Bwrdd Taliadau**

Diolch am eich llythyr dyddiedig 6 Gorffennaf 2017.

Rydym yn nodi eich pryder ynghylch y ffordd y mae'r Comisiwn yn pennu proffil y gyllideb ac, yn benodol, eich pryder y dylai prosiect o faint adnewyddu'r llawr gwaelod fod wedi dod i'r amlwg yn gynharach.

Cyfarfu'r Comisiwn ar 17 Gorffennaf a defnyddiodd y cyfle i drafod eich llythyr. Cytunwyd y dylai'r cyflwyniad ynghylch y gyllideb ddrafft ym mis Medi roi manylion ychwanegol am faint o'r gyllideb ar gyfer Penderfyniad y Bwrdd Taliadau y disgwylir i Aelodau'r Cynulliad ei defnyddio.

Byddwn yn cysylltu â'r Bwrdd Taliadau ac, os bydd yr amserlen yn caniatáu, byddwn yn adlewyrchu unrhyw newidiadau a ystyrir gan y Bwrdd ar gyfer 2018-19 yn yr amcangyfrif hwn.



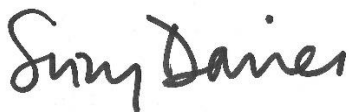
Hefyd, byddwn yn cynnwys gwybodaeth am y prosiectau a'r blaenoriaethau y gellir eu hariannu drwy unrhyw danwariant o'r Penderfyniad yn ein dogfen ar gyllideb ddrafft 2018/19.

Rydym yn fodlon y bydd unrhyw brosiectau a nodir yn cael eu harchwilio ac mai dim ond ar gyfer eitemau hanfodol sy'n flaenoriaeth i'r Comisiwn y caiff arian ei ryddhau. Mae'r Comisiwn hefyd yn fodlon bod cynlluniau gwario cadarn a realistig ar waith ar gyfer cyllideb gyfan Comisiwn y Cynulliad.

Diolch eto am ein herio i fyfrio ar ein gwaith.

Rhowch wybod os hoffai eich Pwyllgor gael unrhyw wybodaeth bellach.

Yn gywir



Suzy Davies

copi at Manon Antoniazzi, Nia Morgan

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English







By email

21/07/2017

Dear Simon,

Thank you for the opportunity to appear before the Finance Committee on July 5th.

I offered to provide further information to supplement the answers given during the session to support the committee in its work.

The core guidance for the Well-being of Future Generations Act states that it 'provides for better decision-making'. And, so the focus of my evidence has been on what can be done to help and support better decision-making, what needs to be avoided and what barriers need to be removed?

With this in mind, I have focused on how the Regulatory Impact Assessment (RIA) can become a process that helps legislators actively improve the quality of legislation and improve the way new legislation is then implemented.

Our suggestions, drawing on the experience of the Well-being of Future Generations Act included:

- Reframing the RIA to be an improvement focused exercise rather than a compliance exercise;
- Requiring the RIA to start at the same time as the legislation being its development, with a number of key stages.
- A fundamental 'do-nothing' challenge at the beginning, continual review and updating with further challenges at key stages.
- The report to the National Assembly would be a summary of the entire process as opposed to a snapshot produced to comply with a standing order.

In terms of the experience for the Well-being of Future Generations Act, we noted that the RIA as currently framed is focused on administrative procedure and compliance, whereas the Act itself, is focused on fundamental, organisational cultural change.

I felt it may be helpful to share a number of documents that are helping to inform our current thinking. Links can be found at the end of the email to documents under the themes of 'organisational cultural change', 'embedding sustainable development', 'taking a long term view' and 'the concept of value'. During my evidence, I set out my own commitment to walk the talk in relation to the Sustainable Development principle - and to working in an integrated and collaborative way with the other Commissioners in Wales. I highlighted ways in which we are currently working together and some areas of opportunity for new joint-approaches. Public bodies have been clear in their conversations with me

about the need for us to support and drive behaviour change together and the joint work to date (such as the work with the Children's Commissioner, using the Act as a framework to embed Children's Rights) as been helpful, as has the overall approach to working together which all the Commissioners have taken.

The duties of the Commissioners are, on the whole, complimentary and cross-cutting but it is important to note the independent status of each office as a principle which underpins and supports the work. It is the specific powers and duties conferred on each Commissioner, in areas which our elected members have deemed of such importance that they require this additional focus, scrutiny and challenge, that provides with a real opportunity to challenge those responsible for delivering public services to take an integrated approach to policy-making and to harness our collective powers to change the way we do business in Wales.

And finally, I talked about my draft framework for Future Generations which we are developing to support better decision-making, particularly in relation to infrastructure projects. Copies of this are attached.

I thank you again for the opportunity to provide evidence.

Yours sincerely,

Sophie

Links to documents under-pinning evidence

Organisational cultural change

<https://www.iriss.org.uk/sites/default/files/iriss-insight-17.pdf>

<http://www.oecd.org/innovating-the-public-sector/Background-report.pdf>

[https://www.cipd.co.uk/Images/leading-culture-change-employee-engagement-and-public-service-transformation\\_2012\\_tcm18-14116.pdf](https://www.cipd.co.uk/Images/leading-culture-change-employee-engagement-and-public-service-transformation_2012_tcm18-14116.pdf)

Embedding sustainable development

<http://nbs.net/wp-content/uploads/Systematic-Review-Sustainability-and-Corporate-Culture.pdf>



Comisiynydd  
**Cenedlaethau'r  
Dyfodol**  
Cymru

**Future  
Generations**  
Commissioner  
for Wales

<https://www.forumforthefuture.org/sites/default/files/project/downloads/steppinguppub-sector-leadership.pdf>

Long term

<http://www.wlga.wales/SharedFiles/Download.aspx?pageid=62&mid=665&fileid=68>

<http://www.oxfordmartin.ox.ac.uk/downloads/commission/Oxford Martin Now for the Long Term.pdf>

The concept of value and integrated thinking

<http://integratedreporting.org/wp-content/uploads/2016/09/Focusing-on-value-creation-in-the-public-sector- vFINAL.pdf>

<https://walesauditoffice.wordpress.com/2017/03/08/conwy-health-precinct-the-power-of-perseverance/>

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**Comisiynydd Cenedlaethau'r Dyfodol Cymru**

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Tudalen y pecyn 64

**NEW ECONOMICS FOUNDATION / FUTURE GENERATIONS COMMISSIONER:**

**INFRASTRUCTURE FRAMEWORK BASED ON WELL-BEING OF FUTURE GENERATIONS ACT**

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**5 WAYS OF WORKING**

Ways of working	Initial project development	Review of the project
<p><b>Long term:</b> the importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tuaen y pecyn 65</p>	<p>Start designing your project from an understanding of how Wales might be different several generations from now.</p> <ul style="list-style-type: none"> <li>o Identify the long term trends that are most relevant to your project. These might be social, economic/political, environmental or technological and include known (e.g. depleting fossil fuels), and those with a higher level of uncertainty (e.g. jobs and skills needed in the future).</li> <li>o How does your project mitigate or facilitate these trends?</li> </ul>	<p>Return to the trends you identified initially.</p> <p>Consider how realistic the underlying assumptions are about future trends:</p> <ul style="list-style-type: none"> <li>o If these assumptions are found to be incorrect – how useful is your project to the future of Wales?</li> </ul> <p>Consider what will happen to the project at the end of its proposed lifespan.</p> <ul style="list-style-type: none"> <li>o Can the materials be reclaimed / re-used / re-purposed?</li> </ul> <p>Consider how sustainable the project will be over its lifespan.</p> <ul style="list-style-type: none"> <li>o How does the project support long-term well-being of people in Wales?</li> <li>o Will the project be self-sustaining, or require significant additional resources?</li> </ul>
<p><b>Prevention:</b> prevent problems occurring or getting worse may help public bodies meet their objectives.</p>	<p>Start from a broad consideration of the types of problem that your project could help prevent in the future e.g. social, economic, cultural, environmental.</p> <p>How does your project support breaking negative cycles such as poverty, poor health, environmental damage and loss of biodiversity?</p> <p>How could your project minimise its own negative impacts e.g. minimising waste and resource use?</p>	<p>Return to the problems and negative cycles that you identified that your project could address.</p> <p>Consider the assumptions underlying your project:</p> <ul style="list-style-type: none"> <li>o Is your project reliant on other interventions being in place to address the causes of long term cycles alongside your project?</li> <li>o What are the trade-offs emerging between different aspects of well-being and sustainability and how have these been minimised?</li> </ul>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Tudalen y pecynnau</b></p> <p><b>Integration:</b> considering how public bodies' wellbeing objectives may impact upon each of the wellbeing goals, on their other objectives, or on the objectives of other public bodies.</p>	<p>Start by considering how your project objectives impact on other public bodies wellbeing objectives.</p> <ul style="list-style-type: none"> <li>o How could your project connect different public policy agendas and generate co-benefits e.g. how can a transport project support improvements in health, culture, worklessness.</li> <li>o Consider each of the seven wellbeing goals and identify any risks of negatively impacting on other public bodies wellbeing objectives (noting likelihood of negative impacts accumulating over time).</li> <li>o What practical steps will you take in your project to integrate your project with existing plans and strategies of other public bodies to maximise the project's contribution across the seven wellbeing goals.</li> </ul>	<p>Return to how your project integrates with other public bodies wellbeing objectives.</p> <p>Consider the projects impact on the seven wellbeing goals:</p> <ul style="list-style-type: none"> <li>o Which of wellbeing goals does your project directly impact?</li> <li>o How can your project extend it's positive impact by alignment with relevant public body strategies and wellbeing objectives?</li> <li>o What measures are in place to ensure that the project continues to positive contribute to the Well-being Goals throughout its life?</li> </ul>
<p><b>Collaboration:</b> acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its wellbeing objectives.</p>	<p>Start by considering who are the key stakeholders from a range of related sectors and disciplines who could support the development of this project.</p> <ul style="list-style-type: none"> <li>o Identify these key stakeholders early so that collaboration can be productive and meaningful.</li> <li>o Does your range of stakeholders include public, private and third sector organisations?</li> <li>o How will key stakeholders be involved in developing the project, and at which stage of the project</li> </ul>	<p>Return to your key stakeholder list.</p> <ul style="list-style-type: none"> <li>o Which groups/bodies have you identified who are working towards similar goals around sustainability and well-being?</li> <li>o What mechanisms are in place to ensure this collaboration is effective?</li> <li>o How will you ensure that collaboration continues through the life of the project?</li> </ul>

**Involvement:** the importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

Start by considering how well you understand the needs, and lived experiences, of citizens who will be affected by this project, and how you will use this to inform consideration of the need for the project.

- o Consider how you will engage stakeholders with different forms of expertise or knowledge, including how you will understand the needs of the broader population and those not represented by specific interest groups.

- o How well do you understand the needs and challenges of people in the area? Well-being Assessments will give some insight.

- o Identify the key stakeholders affected directly and indirectly by the project. How will stakeholders be involved in the identification of the need for this project, and how will it be informed by their needs?

- o How will key stakeholders be involved in the design and development of the project?

- o How will key stakeholders be involved in the delivery and / or oversight of this project?

Return to how your project will involve citizens and stakeholder.

- o How has the project been shaped by key stakeholders affected by the project, and particularly their needs and challenges?





- o How will key stakeholders affected by the project continue to influence the project throughout it's life?






**NEW ECONOMICS FOUNDATION / FUTURE GENERATIONS COMMISSIONER:**

**INFRASTRUCTURE FRAMEWORK BASED ON WELL-BEING OF FUTURE GENERATIONS ACT**





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**SEVEN WELL-BEING GOALS**

Aspect of the Act/ definition	Interpretation of key elements of act for framework	Related areas of wellbeing	Meeting the Act at a strategic level	Designing your proposal to support the intentions of the Act
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Tudalen y pecyn 6</b></p> <p><b>Prospectus:</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p><b>An innovative Wales is one with a thriving new business sector, supporting social innovation and entrepreneurs.</b></p> <p>Consider how innovation can be used to tackle social determinants of poor health, growing businesses in areas that have suffered economic decline, and opportunities for green growth across Wales.</p>	 <p>The social determinants of poor health; Growing businesses in areas that have suffered economic decline; Opportunities for green growth across Wales</p>	<p>How will this project push infrastructure provision in a more sustainable, innovative direction?</p> <p>How will this project open up opportunities for new business sectors and production of public goods?</p>	<p>How will this project innovate to meet the challenges, and take advantage of the opportunities, set by the relevant trends identified when thinking about the 'long term' in the Ways of Working?</p> <p>Is your project modular, and could it be adapted to a changed Wales in future?</p>
	<p><b>A productive Wales is creating goods and providing services to meet its own needs, as well developing strong export markets.</b></p> <p>Consider environmental sustainability and social wellbeing.</p>	 <p>Environmental sustainability and green growth; Supporting resilient local communities and economies</p>	<p>How will it support the growth of low carbon business sectors?</p>	<p>How will this project support productivity e.g. building local supply chains, supporting economic resilience through diversity, or providing energy through a thriving renewables sector?</p> <p>How will this project have negative impacts on parts of local economies? e.g. reduced costs of transporting food damaging viability of local food producers: this may have some consumer benefits but damages local economy and employment.</p>
	<p><b>A low carbon Wales has an economy driven by green growth, and supports people to live low carbon lifestyles.</b></p> <p>consider the need for skills development, innovation, and employment.</p>	 <p>Need for skills development and employment; Innovative economy, agile and able to adapt to future change</p>	<p>How will this project encourage industry and government to shift towards low carbon and green economic growth?</p>	<p>What behaviours does this project encourage or discourage? e.g. does it encourage private car use? Does it increase local provision of services? Does it support an economy where jobs are located where people live, rather than just in bigger cities? Does it encourage people and businesses to buy local?</p> <p>How will this project help or impede people in living low carbon lifestyles? e.g. improving access to public transport access, and increasing the supply of renewable energy.</p>
	<p><b>A Wales which uses resources effectively and proportionately builds efficiency into design (e.g. lowering embedded carbon; building energy efficient into design) and prioritises strategic use of globally limited resources.</b></p> <p>consider how you will reduce Wales' ecological footprint and source materials locally. Also consider how you can work with other public bodies in pursuit of shared goals to allocate resources most efficiently.</p>	 <p>Need to reduce Wales' ecological footprint and source materials locally; Working with other public bodies in pursuit of shared goals to allocate resources most effectively</p>	<p>In a context where financial, ecological, and material resources are finite, does this project offer a responsible solution to the problems posed?</p> <p>Have less resource-intensive alternatives been looked at, and if so what does this approach offer over and above them?</p>	<p>How will the design of this project use resources efficiently and proportionately? For example: How will it integrate low-carbon production techniques and reduce the embedded carbon in materials used? How will it maximise use of local resources and supply chains? How will it minimise waste and its impact?</p>






	<p><b>Improving employment in Wales requires reducing unemployment and underemployment as well as ensuring that new jobs created are good quality jobs.</b></p> <p>consider the role of employment in reducing inequality, the need to develop jobs in low carbon industries, and how you might collaborate with other skills/education bodies in Wales.</p>	 <p>Role of employment in reducing inequality; need to develop jobs in low carbon industries; how might you collaborate with other skills/education bodies in Wales.</p>	<p>How will your project create long-term, sustainable jobs?</p>	<p>Are you creating jobs in places with high levels of unemployment and underemployment?</p> <p>To what extent are you creating jobs that are: decently paid; satisfying with opportunity for progression; secure; local; not overly long hours; environmentally sustainability</p>
	<p><b>A skilled and well-educated Wales requires investments which both create opportunities for individuals and which develop a stronger workforce.</b></p> <p>consider the development of a low carbon economy, a more equal spread of economic activity across the country, and how you might collaborate with other skills/education bodies in Wales. .</p>	 <p>Low carbon economy; a more equal spread of economic activity across the country; how might you collaborate with other skills/education bodies in Wales.</p>	<p>How will your project provide training that will develop skills and knowledge which the Welsh labour market needs?</p>	<p>Will training delivered in your project change people's labour market position in a lasting way, putting them in a stronger position for other jobs when the project ends?</p> <p>For example: How will it embed lasting opportunities for skills development? How will it widen accessibility of educational institutions?</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen y pecyn</p> <p><b>Resilient:</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p><b>Ecosystems which support social resilience and community wellbeing, by offering opportunities for people to enjoy nature, share outdoor space, and strengthen social ties with their communities.</b></p> <p>consider the importance of heritage and access to recreation, and the restorative health effects of access to nature, and the importance of cohesive communities.</p>	 <p>Importance of heritage and access to recreation; restorative health effects of access to nature; importance of cohesive communities.</p>	<p>How will your project enhance or reduce access to, and quality of, green and open spaces?</p>	<p>How do the green/open spaces near your project currently help communities come together and bond? How will your project build on these benefits?</p>
	<p><b>Ecosystems which support economic resilience protect and enhance opportunities for people to work and produce in a sustainable way.</b></p> <p>consider the importance of building sustainable employment in rural and coastal communities to tackle regional inequalities and maintain viable productive non-urban communities where local people can prosper.</p>	 <p>Building sustainable employment in rural and coastal communities to tackle regional inequalities; maintain viable productive non-urban communities where local people can prosper.</p>	<p>How will this project build on and unlock opportunities for green growth across Wales?</p>	<p>How will your project protect and enhance ecosystems which support economic activity in Wales?</p> <p>For example: How will it impact opportunities for employment in wildlife and conservation? How will it impact livelihoods in rural communities e.g. quality of coastlines and beaches, and agricultural resources e.g. soil, pollination, regulated drainage?</p>
	<p><b>Ecosystems which support ecological resilience make the Welsh environment more self-sustaining, and enables Wales to adapt better to changes such as climate change.</b></p> <p>Consider the need to adapt to future environmental trends and to use resources efficiently and proportionately.</p>	 <p>Need to adapt to future environmental trends; and to use resources efficiently and proportionately.</p>	<p>How will this project develop innovative solutions for infrastructure provision which prioritises environmental resilience?</p> <p>How will this project integrate the 'precautionary principle' where environmental trends and impacts on ecosystems are unknown?</p>	<p>How will your project enhance biodiversity?</p> <p>How will your project directly impact ecosystems? For example: Will it disturb important breeding grounds or animal migration routes? Does it cut through any sites of designated environmental significance?</p> <p>How will your project add to the health, reach, and size of population that ecosystems can support? e.g. protecting areas of wildlife and investing in green infrastructure.</p> <p>How will your project indirectly impact nearby ecosystems? For example: Will it increase light pollution, damaging nearby owls' ability to hunt? Will replanting a forest elsewhere replace the services provided by a more mature forest? Will your project push ecosystems over a threshold beyond which they are at risk of collapsing?</p> <p>How will this project help Wales adapt to climate change, for example the effects of increased flooding?</p>



<p><b>Healthier:</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p><b>A healthier Wales understands and acts with an understanding of the social determinants of mental and physical poor health and wellbeing.</b></p> <p>consider the unequal distribution of environmental characteristics (e.g. noise and light from motorways) which have negative psychosocial impacts, and the importance of social connectedness and good work to mental health and wellbeing.</p>	 <p>Unequal distribution of environmental characteristics (e.g. noise and light from motorways) which have negative psychosocial impacts; and the importance of social connectedness and good work to mental health and wellbeing.</p>	<p>How will this project improve aspects of mental/physical health and wellbeing which are tied to poverty?</p>	<p>How will your project impact air quality? How will these changes be distributed between different areas, enhancing or reducing health inequalities?</p> <p>How will this project affect local mental health, both during the construction phase and afterwards in its everyday functioning, for example increasing stress and anxiety of people living locally?</p>
	<p><b>A healthier Wales needs to develop the infrastructure that enables people to make healthier choices.</b></p> <p>consider income inequalities and the need for low carbon supply chains in food production. Also consider public bodies who are working on reducing health inequalities.</p>	 <p>Income inequalities; need for low carbon supply chains in food production; public bodies who are working on reducing health inequalities.</p>	<p>How will this project encourage or discourage people to make healthier choices and behaviours?</p>	<p>How will this project protect and improve local access to quality outdoor spaces for revival, restoration and exercise? For example, adding new public pathways, existing cycling, walking and riding trails, clean beaches and other opportunities for outdoor swimming.</p> <p>How will this project impact opportunities for active travel?</p> <p>How will this project impact local supply chains to improve affordable access to sustainable, healthy, fresh produce?</p>
<p><b>More equal:</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p><b>A more equal Wales uses spending strategically to reduce social, geographic and economic inequalities.</b></p> <p>consider the important role of cultural diversity in creating vibrant culture, the relationship between health and inequality, and the value to a more productive Wales of developing better skills and jobs in Wales.</p>	 <p>Role of cultural diversity in creating vibrant culture; relationship between health and inequality; need to develop skills and job opportunities in Wales.</p>	<p>How will this project provide leavers for reversing long-term disadvantage, and support disadvantaged groups in ways which are sustainable in the long term?</p>	<p>Is the project based in a place which is in priority need of investment?</p> <p>How have you identified and considered how the scheme will bring opportunity to areas of high multiple deprivation in the region?</p> <p>Who benefits most from this project? For example, poorer people stand to benefit more from public transport, affordable energy, and public space and amenities.</p> <p>Who is negatively impacted - directly or indirectly - by this project? Are these impacts avoidable, and if not how will those affected be compensated?</p> <p>How will this project affect marginalised groups, for example BAME (black, Asian, minority ethnic) people, women, LGBT (lesbian, gay, bisexual, transgender) people, and disabled people?</p>
	<p><b>A more equal Wales needs to tackle the accumulation of wealth and power at the top which has failed to "trickle down"</b></p> <p>Consider what affect a more equal dispersal of power and wealth could have on Wales' options to tackle ecological degradation and greenhouse gas emissions, and supporting the development of a prosperous, geographically distributed economy?.</p> <p>Think also about the Ways of Working, Involvement</p>	 <p>What affect a more equal dispersal of power and wealth could have on Wales' options to tackle ecological degradation and greenhouse gas emissions and supporting the development of a prosperous, geographically distributed economy? Need to involve local people meaningfully</p>	<p>How will this project be developed in such a way that it does not lead to massive transfers of public resources and assets to a small groups of corporations?</p>	<p>How will this project ensure that decisions are made in a democratic and egalitarian way, rather than allowing powerful voices to dominate? Consider, for example, where decisions are made and which groups have access to decision-makers.</p> <p>How will this project engage with social enterprises, co-operatives and employee-owned businesses in its supply chains?</p>





Tudalen y pecyn 70

Cohesive communities: Attractive, viable, safe and well-connected communities.

<p><b>A more equal Wales need to address poverty, lack of wealth and opportunities for those worst off in society.</b></p> <p>Consider the need to improve education and employment opportunities, tackling low pay, and aligning improvements in material conditions with sustainable lifestyles.</p>	 <p>Need to improve education and employment opportunities; tackling low pay; and aligning improvements in material conditions with sustainable lifestyles.</p>		<p>How will this project add additional resources to areas of multiple deprivations, e.g. employment, public facilities to built social capital, quality infrastructure such as schools and healthcare?</p>
<p><b>Viable communities need to be able to provide basic goods, services and jobs locally.</b></p> <p>Consider how this can support low carbon lifestyles, decent and local jobs, and attractive places to live.</p>	 <p>How this can support low carbon lifestyles, decent and local jobs, and attractive places to live?</p>		<p>How will this project impact improve access to and availability of amenities locally? How will this project provide long-term local jobs?</p>
<p><b>A well-connected Wales needs people to be able to access local amenities which help communities connect to themselves, and provide good links to other parts of the country for recreation and internal tourism.</b></p> <p>Consider the need for local jobs, local supply chains, opportunities to develop local arts, music, culture etc.</p>	 <p>Need for local jobs, local supply chains, opportunities to develop local arts, music, culture etc.</p>		<p>How will this project support local amenities and strengthen social relationships? For example, will it make local businesses and amenities more or less viable? How will improved transport links positively and negatively impact diverse groups?</p>
<p><b>It is important that people feel safe, and a sense of belonging and support in their communities.</b></p> <p>Consider how inequality impacts who can feel safe in public space and under what circumstances.</p>	 <p>How does inequality impact who can feel safe in public space and under what circumstances?</p>	<p>How will your project support communities to be more cohesive?</p>	<p>How will this project make public space feel safer and more welcoming, particularly for children, older people, people with disabilities, women and other groups to ensure diverse and lively public space. If this project is creating new public space - e.g. parks and woodlands - how will local people be involved in its management to build social ties and increase local cohesion?</p>
<p><b>Attractive communities in Wales should offer distinctive neighbourhoods reflecting local character, where people want to live and perceive as supporting a good life.</b></p> <p>Consider how outdoor space, heritage sites and cultural activities can provide opportunities for learning and recreation, vibrant and diverse local arts/music/culture. Think also about the Ways of Working, Involvement.</p>	 <p>How can outdoor space, heritage sites and cultural activities can provide opportunities for learning and recreation, vibrant and diverse local arts/music/culture? How can local people be meaningfully consulted on their desires and needs for their area?</p>		<p>How will this project create neighbourhoods that are pleasant to live and work in? For example, infrastructure that makes it easier to move around locally (e.g. cycleways); quality public space; green infrastructure. How will this project design these features in partnership with the community to meet their needs and desires for the area/space? This could include the design concept, the design of street furniture, and involvement of local artists as well as residents. How will this project mitigate and compensate for negative impacts on the physical appeal of a place?</p>

**Vibrant culture:** A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation

Cydalen y pecyn 72

<p><b>A culturally vibrant Wales is one where communities and ways of life are sustainable, as part of a Wales where cultural diversity also flourishes.</b></p> <p>Consider the impacts of inequality on community viability, the ability of diverse groups to participate in cultural life, and other bodies (e.g. land use planning) who you can work with to support this goal.</p>	 <p>Impacts of inequality on community viability; the ability of diverse groups to participate in cultural life and; other bodies (e.g. land use planning) who you can work with to support this goal.</p>	<p>How will this project contribute to a culturally vibrant Wales?</p>	<p>Consider the <b>direct impacts</b> of this project. How will this project retain and enhance local cultural opportunities, e.g. providing new venues e.g. art/music/dance studios, sports facilities, arts festivals, museums/galleries, live music venues, cinemas) and protecting established ones; supporting local artists and traditional builders by involving them in the design of the project and new bits of public space.</p> <p>How will this project ensure that these opportunities are accessible to all, e.g. affordable, public transport accessible, have disability access.</p> <p>Consider the <b>indirect impacts</b> this project might have on the sustainability of local cultural diversity. This is about the behaviours that your project may trigger. For example, might it distort local housing markets by encouraging second home ownership? Or impact the viability of local facilities venues (consider those that cater to minority groups e.g. LBGT venues as well as more mainstream venues), or marginalise Welsh language? If so, what efforts will be taken to sustain vibrant culture, for example protecting cultural venues and facilities?</p>
<p><b>A culturally vibrant Wales requires protection and enhancement of natural, cultural and historical heritage sites.</b></p> <p>Consider the employment provided by heritage sites - particularly in rural areas - and the importance of equal access to heritage.</p>	 <p>Employment provided by heritage sites - particularly in rural areas; importance of equal access to heritage.</p>		<p>How will this project affect nearby natural or other heritage sites?</p> <p>What impact does your project have on the overall landscape of the area?</p> <p>How will this project increase accessibility of local heritage sites?</p>
<p><b>A culturally vibrant Wales requires arts, sports and recreation being locally available, accessible, and affordable.</b></p> <p>Consider the importance of building social ties, flourishing diversity, and prosperous localities which can support lots of activities for a lively public life.</p>	 <p>Importance of building social ties, flourishing diversity, and prosperous localities which can support lots of activities for a lively public life.</p>		<p>How will the project increase local access to arts, sports and recreational activities?</p> <p>Can the scheme make extra investments which offer more opportunities that are affordable and accessible to local people?</p>
<p><b>Globally responsible:</b> A globally responsible Wales. A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being and the capacity to adapt to change (for example climate change).</p>	 <p><b>A globally responsible Wales should support global wellbeing through sustainable consumption of resources, reduced greenhouse gas emissions, and contributing to global knowledge on sustainability good practice.</b></p> <p>for example, the need for low carbon economies and lifestyles, and proportionate use of resources.</p>	<p>How will this project offer global leadership or innovation in sustainable infrastructure?</p> <p>How will this project contribute to a system where resources used and greenhouse gas emissions can be brought down?</p> <p>How has this project so far, and how will it continue to, build on best practice in sustainability from around the world?</p>	<p>Consider: <b>What Wales is bringing in from the rest of the world</b> e.g. responsible purchasing (sustainable and ethical sourcing); the volume of resources that Wales is consuming (both in the development of the project and behaviours that it will induce). <b>And what Wales is putting out into the world</b> e.g. developing sustainable technologies; providing a positive example of how infrastructure projects can integrate wellbeing. Overall, how is your project impacting the rest of the world - ecological footprint, reducing greenhouse gas emissions, both in its production and its use?</p>

Mae cyfyngiadau ar y ddogfen hon

Alun Davies AC/AM  
Gweinidog y Gymraeg a Dysgu Gydol Oes  
Minister for Lifelong Learning and Welsh Language



Llywodraeth Cymru  
Welsh Government

Ein cyf: MA-L/ARD/0550/17

Simon Thomas AC  
Cadeirydd  
Y Pwyllgor Cyllid

Lynne Neagle AC  
Cadeirydd  
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8 Medi 2017

Annwyl Simon a Lynne,

Yn unol â'm hymrwymiad cyn y ddadl ar egwyddorion cyffredinol ar gyfer Bil Anghenion Dysgu Ychwanegol a'r Tribiwnlys Addysg (Cymru) (y Bil), amgaeaf gopi o asesiad effaith rheoleiddiol (RIA) diwygiedig y Bil.

Dros yr haf, mae proses sicrhau ansawdd gynhwysfawr wedi'i chwblhau, gan gynnwys gwiriadau mewnol ac allanol.

Yn fewnol, canolbwyntiwyd ar gywirdeb y cyfrifiadau gydol y RIA, a hygyrchedd ar gyfer darllenwyr. Nid yw'r adolygiad hwn wedi datgelu unrhyw beth sy'n peri pryder. Mae rhai newidiadau i'r testun wedi'u gwneud er mwyn gwella eglurdeb, gan gynnwys croesgyfeirio ffigurau yn y testun i dablau perthnasol, a chynnwys troednodiadau i nodi'r fformiwla sy'n cael ei defnyddio i wneud cyfrifiad. Nodwyd anghysondeb o £20, sy'n creu cynnydd o £20 yn yr arbedion parhaus a ragwelir.

Fodd bynnag, nid oes unrhyw wallau wedi'u nodi yn y cyfrifiadau.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in replying.

Mae canlyniad yr adolygiad mewnol yn gadarnhaol ac rwy'n gobeithio y bydd yn hwb i hyder yng nghywirdeb a dibynadwyedd yr RIA.

Hefyd, comisiynwyd adolygiad allanol gan gymheiriaid o'r RIA, gan ganolbwyntio ar y fethodoleg a ddefnyddiwyd. Cwblhawyd yr adolygiad gan Dr Miguel Garcia-Sanchez, economegydd sydd ag arbenigedd sylweddol mewn dadansoddi cost a budd.

Aeth Dr Garcia-Sanchez ati i asesu'r dulliau a'r rhagdybiaethau technegol a ddefnyddiwyd yn yr RIA, gan ddadansoddi cadernid y data a ddefnyddiwyd. Craffwyd yn fanwl iawn ar sampl o ffigurau ac ar ddull cyffredinol yr RIA. Roedd y gwaith hwn yn ategu ac yn adeiladu ar yr adolygiad mewnol.

Amgaeaf gopi o'r adroddiad a dderbyniais gan Dr Garcia-Sanchez. Mae rhai o'i argymhellion yn cyfeirio at y Bil yn benodol ac mae eraill yn fwy cyffredinol. Mae rhai o'r argymhellion yn ymwneud â llunio RIAs yn fwy cyffredinol, ac maent yn awgrymu y dylai Llywodraeth Cymru fabwysiadu model sy'n fwy seiliedig ar economegwyr wrth lunio RIAs.

Gall yr argymhellion ehangach yn ymwneud â'r model sydd wedi'i ddefnyddio i lunio RIAs fod o ddiddordeb penodol i'r Pwyllgor Cyllid yng nghyd-destun ei ymchwiliad presennol i amcangyfrifon ariannol y ddeddfwriaeth.

O'r chwe argymhelliad a wnaed gan Dr Garcia-Sanchez, nid yw Llywodraeth Cymru yn derbyn un ohonynt. Mae'r argymhelliad hwn yn ymwneud â chyfrifo amcangyfrifon arian parod a gwerthoedd presennol net. Yn ein barn ni, byddai newid ein dull gweithredu yn y modd a awgrymir yn mynd yn groes i'r canllawiau a nodwyd yn Llyfr Gwyrdd Trysorlys Ei Mawrhydi.

Rydym wedi diwygio'r RIA yn unol â'r ddau argymhelliad penodol a wnaed gan Dr Garcia-Sanchez – mae'r RIA diwygiedig yn awr yn cynnwys rhestr glir o gostau heb eu meintioli ac yn egluro pam y mae'n cwmpasu cyfnod o bedair blynedd.

Mae'r argymhellion eraill yn ymwneud â llunio RIAs yn fwy cyffredinol, a gall y Pwyllgor Cyllid ystyried yr argymhellion hyn yng nghyd-destun ei ymchwiliad. Byddwn yn sicrhau bod yr argymhellion hyn yn cael eu hystyried yn llawn wrth lunio RIAs a fydd yn ategu'r is-ddeddfwriaeth a'r Cod ADY sy'n cael ei greu o dan y Bil hwn. Fodd bynnag, o ystyried y cam y mae'r Bil wedi'i gyrraedd a lefel yr adnoddau sydd eu hangen i roi'r argymhellion hyn ar waith mewn ffordd ôl-weithredol, nid wyf yn bwriadu eu cynnwys yn y RIA hwn.

Yn ogystal â'r broses sicrhau ansawdd mewnol ac allanol, mae fy swyddogion wedi parhau i weithio'n agos gyda SNAP Cymru er mwyn deall eu pryderon. Dechreuodd y cysylltiad diweddaraf yn dilyn sesiynau tystiolaeth cam 1 y Pwyllgor Plant, Pobl Ifanc ac Addysg. O ganlyniad i'r gwaith hwn, nid oes unrhyw newidiadau eraill wedi'u gwneud i'r costau a amlinellwyd yn y RIA ers fy llythyr ym mis Mai, ond mae newidiadau i naratif y RIA wedi'u gwneud.

Rwyf wedi cael sicrwydd gan fy swyddogion bod SNAP Cymru yn fodlon â'r diwygiadau i'r RIA ac rwy'n ddiolchgar i Denise Inger a Caroline Rawson am eu cyfraniad, sydd wedi'n galluogi i gyrraedd y sefyllfa hon y gall pawb gytuno arni.

Ym mis Mai, ysgrifennais i ddweud mai'r arbedion parhaus disgwylidig fyddai £3,675,240 dros y pedair blynedd. Yn yr RIA diwygiedig, y ffigur yw £3,675,260 – gwahaniaeth o £20. Mae hyn yn deillio o anghysondeb a nodwyd yn yr adolygiad mewnol.

Hefyd, mae cost gyffredinol y Bil wedi newid. Ym mis Mai dywedais mai £8,279,250 fyddai'r gost ddisgwylidig dros y cyfnod o bedair blynedd. Yn y RIA diwygiedig, y ffigur yw £7,853,200 – gostyngiad o £426,030. Mae yna ddwy elfen i hyn.

Yn gyntaf, mae addasiad wedi'i wneud i gostau gweithredu Llywodraeth Cymru a amlinellwyd yn yr RIA er mwyn cynnwys costau pontio sydd ond yn berthnasol yn uniongyrchol i'r Bil. Yn ei adroddiad cam 1 ar y Bil, argymhellodd y Pwyllgor Cyllid fod angen mwy o dryloywder yn yr RIA yng nghyswllt y cyllid ychwanegol sydd ar gael at ddibenion y Bil.

Mae'r addasiadau i'r RIA yn rhan o'n hymateb i'r argymhelliad hwn. Y canlyniad yw gostyngiad o £425,930. Mae'r RIA diwygiedig yn ceisio gwahaniaethu'n fwy eglur rhwng cyllid sydd â chysylltiad uniongyrchol â gweithredu'r Bil a gweithgarwch yn ymwneud â'r rhaglen drawsnewid ehangach.


Yn ail, mae addasiad bach o £100 i gostau gweithredu Tribiwnlys Anghenion Addysgol Arbennig Cymru wedi'i wneud hefyd. Nod yr addasiad hwn yw adlewyrchu costau gwirioneddol yn hytrach na chyllid grant Llywodraeth Cymru.

Bydd y pecyn ariannu gwerth £20 miliwn a gyhoeddwyd yn gynharach eleni yn talu am weithredu'r Bil hwn. Byddaf yn ysgrifennu gyda diweddariad am y cyllid gweithredu, ond ei nod yw gwneud llawer mwy na dim ond ariannu'r newid o un system statudol i system arall. Mae'n buddsoddi mewn sgiliau a datblygiad proffesiynol er mwyn sicrhau ein bod yn gallu cyflwyno'r ddeddfwriaeth, newid ymarfer ar lawr gwlad a gwella canlyniadau ar gyfer plant a phobl ifanc.

Ar ôl i'r system newydd gael ei chyflwyno, disgwylir y bydd yn rhatach i'w gweithredu na'r system AAA bresennol. Ategir hyn gan brofiad yr awdurdodau lleol sydd eisoes wedi cyflwyno elfennau allweddol o'r system ADY newydd. Bydd unrhyw arbedion gweinyddol yn cael eu hail-fuddsoddi i gynorthwyo plant a phobl ifanc.

Rwy'n anfon copi o'r llythyr hwn at bob Aelod Cynulliad, yn dilyn fy llythyr dyddiedig 6 Mehefin, cyn y ddadl i benderfynu ar gyllid y Bil a gynhelir fis nesaf.

Yn gywir

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

**Alun Davies AC**

Gweinidog y Gymraeg a Dysgu Gydol Oes

Minister for Lifelong Learning and Welsh Language



Mae cyfyngiadau ar y ddogfen hon

# Eitem 8

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon

# Eitem 9

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon