

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee room 5 Tŷ Hywel and video conference via Zoom	Meeting date: 20 February 2025	Meeting time: 09.30	For further information contact: Owain Roberts Committee Clerk 0300 200 6388 SeneddFinance@senedd.wales
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Registration

(09.00 – 09.15)

Private pre-meeting

(09.15 – 09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

(Pages 1 – 2)

Minutes of the meetings held on 20 November.

2.1 PTN 1 – Response from the Office for Budget Responsibility to recommendations included in the Finance Committee's report on the Scrutiny of the Welsh Government Draft Budget 2025–26 – 6 February 2025

(Pages 3 – 5)

2.2 PTN 2 – Letter from the Cabinet Secretary for Finance and Welsh Language: Update on the Welsh Government's budget timetable – 10 February 2025

(Page 6)

2.3 PTN 3 – Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Legislation, Justice and Constitution Committee: Inter-Ministerial Standing Committee (IMSC) – 13 February 2025

(Pages 7 – 8)



2.4 PTN 4 – Letter from the Chief Secretary to the Treasury to Interparliamentary Finance Committee Forum: HM Treasury Engagement with the Interparliamentary Finance Committee Forum – 12 February 2025

(Pages 9 – 11)

3 Financial implications of the Disused Mine and Quarry Tips (Wales)

Bill: Evidence session

(09.30 – 10.30)

(Pages 12 – 38)

Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Welsh Government

Chris Jones, Deputy Director, Mining Legacy and Reservoir Safety, Welsh Government

Kelly Murphy, Head of Implementation, Supervisory Authority Implementation Team, Welsh Government

[Disused Mine and Quarry Tips \(Wales\) Bill, as introduced](#)
[Explanatory Memorandum](#)

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

(10.30)

5 Financial implications of the Disused Mine and Quarry Tips (Wales)

Bill: Consideration of evidence

(10.30 – 10.45)

6 Business Committee Review of Public Bill and Member Bill processes

(10.45 – 11.00)

(Pages 39 – 51)

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee
room 3, Senedd and video conference
via Zoom

Meeting date: Wednesday, 20 November
2024

Meeting time: 09.30 – 09.43

Hybrid, Private

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Committee Staff:	Owain Roberts (Clerk) Sian Giddins (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher)



At its meeting on 7 November 2024, the Committee agreed a motion under Standing Order 17.42(ix) to exclude the public from today's meeting.

Registration

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

2 Annual scrutiny of the Wales Audit Office and the Auditor General for Wales: Consideration of draft report

2.1 The Committee considered the draft report on the Annual scrutiny of the Wales Audit Office and the Auditor General for Wales and agreed it with no changes.

3 Annual Scrutiny of the Public Services Ombudsman for Wales: Consideration of draft report

3.1 The Committee considered the draft report on the Annual Scrutiny of the Public Services Ombudsman for Wales and agreed it with minor changes.

Finance Committee evidence session with the Office for Budget Responsibility (OBR) on the Welsh Government Draft Budget 2025-26 – 8 January 2025

Following publication of the Finance Committee's report on the Scrutiny of the Welsh Government Draft Budget 2025-26, the Committee wrote to the OBR (Annex A) requesting a response to several report recommendations.

Please find below a response from the OBR:

6 February 2025

Dear Peredur,

It was a pleasure to appear before the Finance Committee last month, and thank you for your letter setting out the Committee's recommendations relating to our Welsh taxes outlook and associated work that accompanies the Welsh Government's Draft Budget.

We agree with the recommendations highlighted in your letter. We plan to commence work on the redesign of the Welsh taxes outlook once we have finalised our Spring forecast for the UK Government on 26 March. The redesign will incorporate analysis showing the relative growth and performance of the Welsh tax base compared to the UK and the impact of UK Government decisions to freeze income tax thresholds on Welsh income taxes as set out in the recommendations. Once we have commenced this work, it will enable us to provide a more detailed response to you in the Summer, when we should also be in a position to more fully consider the scope of the redesign of the Welsh taxes outlook.

We will also seek to keep the Welsh Government updated insofar as possible on the ONS data issues and how we have sought to alleviate the impact on our UK and Welsh forecasts as a result of these issues. We will also continue to work closely with Welsh Government officials on any Welsh forecast-related matters and on the redesign of the Welsh taxes outlook and can keep you informed of progress on this, should that be helpful.

Yours sincerely,

Richard Hughes

Chair, Office for Budget Responsibility

Richard Hughes, Chair
Office for Budget Responsibility
By email

6 February 2025

Dear Richard,

Finance Committee Report: Scrutiny of the Welsh Government Draft Budget 2025-26

Thank you for attending the Finance Committee on 8 January 2025 to give evidence on the Welsh Government Draft Budget 2025-26. As usual, we found your session extremely helpful which greatly informed our report that was laid before the Senedd on Monday 3 February.

I wish to draw your attention to the following recommendations which relate to the work of the Office for Budget Responsibility:

Recommendation 15. The Committee recommends that the Office for Budget Responsibility, as part of the redesign of their Wales Taxes Outlook publication, prioritises improving its analysis of the relative growth and performance of the Welsh taxbase and tax incomes compared to the UK in their Welsh tax outputs.

Recommendation 16. The Committee recommends that the Office for Budget Responsibility provides an update on its work to understand the impact that freezing income tax thresholds will have on the proportion of income tax raised in Wales, ahead of the 2026-27 budget round.

Recommendation 17. The Committee recommends that the Cabinet Secretary provides an update on the outcome of discussions it has had with the Office for

National Statistics and the Office for Budget Responsibility on steps taken to mitigate the loss of key data and its impact on Welsh forecasts.

I would be grateful if you could respond to these recommendations as soon as possible, but by the end of the Senedd's summer term (18 July) at the latest. A copy of this letter has been sent to the Cabinet Secretary for Finance and Welsh Language for information.

Yours sincerely,



Peredur Owen Griffiths MS
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Agenda Item 2.2

FIN(6)-07-25 PTN 2

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA
SeneddFinance@senedd.wales

10 February 2025

Dear Peredur,

When we wrote to the Business and Finance Committees on 8 August 2024, under the provisions within Standing Order 20.6, the Trefnydd and I provided an update on our timetable for the Welsh Government's budget. This was following the Chancellor of the Exchequer's confirmation of the timing for the UK autumn budget.

We indicated that the planned dates for the publication of the Annual Budget and for it to be debated would remain unchanged on 25 February and 4 March respectively. I have reflected on the Finance Committee's preference for our budgets to be published during term time whenever possible, and I now propose to publish the Annual Budget earlier, on Thursday 20 February, to give the Senedd more time to consider ahead of the debate.

The date for the debate on the Final Budget would remain unchanged on Tuesday 4 March.

The Trefnydd will write in similar terms to the Business Committee in time for the planned change of publication date to be considered at the Business Committee's meeting on Tuesday 11 February.

Yours sincerely,

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Mark.Drakeford@gov.wales
Gohebiaeth.Mark.Drakeford@llyw.cymru

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.

Huw Irranca-Davies AS/MS
 Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
 Newid Hinsawdd a Materion Gwledig
 Deputy First Minister and Cabinet Secretary for Climate
 Change and Rural Affairs



Llywodraeth Cymru
 Welsh Government

Ein cyf/Our ref: PO/HIDCC/0058/25

Mike Hedges MS
 Chair
 Legislation, Justice and Constitution Committee
 Welsh Parliament
 Cardiff Bay
 Cardiff
 CF99 1SN

13 February 2025

Dear Mike,

Further to my letter of 2 December 2024, I represented the Welsh Government at the seventh meeting of the Inter-Ministerial Standing Committee on 3 December 2024. A communique regarding this meeting is expected to be published on the [UK Government website](#) in the normal way.

The meeting was chaired by the Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations, the Rt Hon Pat McFadden MP.

The other attending ministers were:

From the UK Government: Minister of State for Trade Policy and Economic Security, the Rt Hon Douglas Alexander MP; Secretary of State for Wales, the Rt Hon Jo Stevens MP; and Secretary of State for Scotland, the Rt Hon Ian Murray MP.

From the Scottish Government: Deputy First Minister and Cabinet Secretary for Economy and Gaelic, Kate Forbes MSP.

From the Northern Ireland Executive: First Minister Michelle O'Neill MLA; and deputy First Minister Emma Little-Pengelly MLA.

The agenda enabled discussion of a range of issues including: resilience and the responses from each government to the Module 1 report of the UK Covid-19 Inquiry which focused on pre-pandemic planning; and the Common Frameworks Programme and the UK Internal Market Act (2020).

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
 0300 0604400

Bae Caerdydd • Cardiff Bay
 Caerdydd • Cardiff
 CF99 1SN

Gohebiaeth.Huw.Irranca-Davies@llyw.cymru
Correspondence.Huw.Irranca-Davies@gov.wales

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.

In relation to the discussion on resilience and each government's response to the first report of the UK Covid-19, I highlighted that it is important for this report and also future reports that we work together as governments across the UK. Whilst the Welsh Government broadly supports the recommendations in principle, I raised the importance of responses to the recommendations taking into account differences in the devolution settlements across our nations. In addition, the absence of Barnett consequential funding for civil contingency matters is a constraint on investment in this important agenda. I also outlined that the Welsh Government would like there to be strengthened cross-UK engagement on resilience at Ministerial level.

As part of the discussion relating to the Common Frameworks Programme, I highlighted that, where currently embedded, Common Frameworks are a positive example of effective intergovernmental working and have created space for innovation within devolved competencies. Regrettably, however, over recent years the Welsh Government's experience of the UK Internal Market Act (2020) is that it has undermined the purpose of Common Frameworks. Therefore, the interplay between the two must be placed at the centre of discussions on these issues.

In this context, the Committee also discussed the UK Internal Market Act (2020) and the plans for the statutory review in 2025. I emphasised our hope that this work will provide a platform for reform to address the serious constitutional issues with the Act. I highlighted the Welsh Government's focus on growth and the important role a well-functioning internal market can play, but made clear that the Act as it stands is not the right approach. I offered to work with the UK Government and other devolved governments on an approach to reforming governance of the UK internal market in a way which embraced devolution. I looked forward to working together on these issues as the Act undergoes statutory review in 2025.

An agenda item on the Sewel Convention and UK legislation was not discussed due to time constraints, and I therefore expect these issues to feature in future meetings.

The next Inter-Ministerial Standing Committee is expected to take place in early spring 2025, with chairing arrangements to be determined.

I have copied this letter to the First Minister, the Rt Hon Eluned Morgan MS, Cabinet Secretary for Finance and Welsh Language, the Rt Hon Mark Drakeford MS, Cabinet Secretary for Economy, Energy and Planning, Rebecca Evans MS, the Counsel General and Minister of Delivery, Julie James MS, and to the Chairs of the Finance Committee, the Economy, Trade and Rural Affairs Committee and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Yours sincerely,



Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs



Agenda Item 2.4

HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Interparliamentary Finance Committee Forum

12 February 2025

Dear Kenneth, Peredur and Matthew,

HM TREASURY ENGAGEMENT WITH THE INTERPARLIAMENTARY FINANCE COMMITTEE FORUM

1. Thank you for your letter of 24th September to the Chancellor regarding engagement with devolved legislature Finance Committees, which she has passed to me as minister responsible for public spending, and for your letter of 3rd December inviting me to the Interparliamentary Finance Committee Forum on 19th March. I am sorry for the delay in responding.
2. I am happy to attend the closed session meeting of the Interparliamentary Finance Committee Forum on 19 March and my officials will liaise with the Assembly Finance Committee Clerk to make arrangements.
3. I recognise the importance of the devolved legislature Finance Committees in providing rigorous scrutiny to devolved government spending and I am keen to support your work, whilst also recognising the importance of Parliamentary accountabilities and that the UK Government is accountable to the UK Parliament for its tax and spending decisions. I will consider invitations from the Interparliamentary Finance Committee Forum and devolved legislature finance committees on a case-by-case basis. In doing so, I will need to ensure that issues of accountability are considered and so the bar for my involvement will be high.
4. I will continue to regularly engage with my devolved government counterparts through the Finance: Interministerial Standing Committee, as well as on an individual basis.
5. I am copying this letter to the Chancellor of the Exchequer, the Treasury Committee and the Public Administration and Constitutional Affairs Committee.

Yours sincerely,

RT HON DARREN JONES MP
CHIEF SECRETARY TO THE TREASURY



The Scottish Parliament
Pàrlamaid na h-Alba

**Finance and Public
Administration
Committee**



**Senedd Cymru
Welsh Parliament**

Y Pwyllgor Cyllid

Finance Committee



**Northern Ireland
Assembly**

Rt. Hon Rachel Reeves,
Chancellor of the Exchequer

Copy to: Treasury Committee; Public Administration and Constitutional Affairs
Committee; Northern Ireland Affairs Committee

24 September 2024

Dear Chancellor

Interparliamentary Finance Committee Forum

The Interparliamentary Finance Committee Forum (IFCF), which comprises the Finance Committees of the devolved nations, looks forward to working with you in your new role as Chancellor of the Exchequer.

The IFCF was established in June 2022 by the Scottish Parliament's Finance and Public Administration Committee and the Welsh Parliament's Finance Committee, with the Northern Ireland Assembly's Finance Committee later joining following the recent Stormont elections. The Forum was established to provide a collective voice for the Finance Committees in the devolved legislatures to raise issues of common interest and concern with the devolved governments and the UK Government. The IFCF also provides opportunities for information-sharing, to hear from relevant Ministers, and to consider common challenges.

We wrote to your predecessor in March 2024 expressing our disappointment about the apparent blanket approach of the then Treasury Ministers and officials to refuse invitations to speak with our respective Committee meetings, as well as our last IFCF meeting held in London in March 2024.

We note the Prime Minister's ambition to "forge new co-operation with politicians from across different political parties" and we hope that this marks a return to the constructive approach of Treasury Ministers of earlier UK Governments. As you know, effective budgeting is essential in the context of the shared fiscal pressures faced by the UK Government and the devolved administrations. Further devolution and the sharing of powers in recent years has also led to budgetary decisions in the UK and the devolved nations becoming more closely linked. Discussion of these matters with HM Treasury is therefore very important to our Committees' roles in holding our respective devolved governments to account for their taxation and spending decisions.

The Forum very much welcomes your intention for spending reviews to “take place every two years, with a minimum planning horizon of three years, to avoid uncertainty for departments and to bring stability to the public finances.” We also seek your support in providing greater certainty to the devolved governments and Parliaments regarding the timing of major fiscal events each year as well as the earlier sharing of information. This is particularly in relation to final supplementary estimates which can substantially impact on the in-year budget plans when there is less flexibility for devolved governments to respond to significant budgetary changes.

The IFCF is keen to reopen dialogue with HM Treasury on these issues and remains ready to welcome you and your Ministerial finance colleagues to the Scottish Parliament, the Senedd and the Northern Ireland Assembly for discussions and formal scrutiny of budgetary issues. We would be very keen to welcome you to the IFCF to explore common areas of interest across the UK.

We therefore invite you to update us on how you would wish to engage with the Finance Committees in the devolved Parliaments.

Yours sincerely,



Kenneth Gibson
Convener
Finance and Public
Administration
Committee
The Scottish Parliament



Peredur Owen Griffiths
Chair
Finance Committee
Senedd Cymru

*Matthew
O'Toole*

Mr Matthew O'Toole
Chairperson
Committee for Finance
Northern Ireland
Assembly

Agenda Item 3

By virtue of paragraph(s) ix of Standing Order 17.42

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