

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee room 4 Tŷ Hywel and video conference via Zoom	For further information contact: Owain Roberts Committee Clerk 0300 200 6388 SeneddFinance@senedd.wales
Meeting date: 11 June 2025	
Meeting time: 09.30	

Registration

(09.00 – 09.15)

Private pre-meeting

(09.15 – 09.30)

1 Introductions, apologies, substitutions and declarations of interest

2 Paper(s) to note

(09.30)

(Pages 1 – 5)

Minutes of the meeting held on 7 May.

2.1 PTN 1 – Letter from the Cabinet Secretary for Finance and Welsh Language: Finance: Interministerial Standing Committee (F:ISC) – 5 June 2025

(Page 6)

3 Financial implications of the Homelessness and Social Housing Allocation (Wales) Bill: Evidence session

(09.30 – 10.30)

(Pages 7 – 36)

Jayne Bryant MS, Cabinet Secretary for Housing and Local Government, Welsh Government

Sarah Rhodes, Deputy Director Housing Policy, Welsh Government

Hannah Fisher, Head of Homelessness Prevention Legislation, Welsh Government

Supporting documents:



Senedd Cymru
Welsh Parliament

[Homelessness and Social Housing Allocation \(Wales\) Bill, as introduced](#) (PDF, 352KB)

[Explanatory Memorandum](#) (PDF, 2.2MB)

- 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 Homelessness and Social Housing Allocation (Wales) Bill: Consideration of evidence**
(10.30 – 10.40)
- 6 **Correspondence from Senedd Committees on Draft Budget 2025–26 scrutiny**
(10.40 – 10.50) (Pages 37 – 52)

Concise Minutes – Finance Committee

Meeting Venue: **Hybrid – Committee room 4 Ty Hywel and video conference via Zoom**

This meeting can be viewed on [Senedd TV](#) at:

<http://senedd.tv/en/15094>

Meeting date: Wednesday, 7 May 2025

Meeting time: 09.30 – 12.30

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Mike Hedges MS Sam Rowlands MS Buffy Williams MS (In place of Rhianon Passmore MS)
Witnesses:	Ken Skates MS, Cabinet Secretary for Transport and North Wales, Welsh Government Alex Walters, Deputy Director, Public and Integrated Transport, Welsh Government Andrew Hobden, Economist, Welsh Government James Burgess, Head of Bus and Community Transport, Welsh Government Margaret Kelly, Northern Ireland Public Services Ombudsman Andrew Crawford, Acting Scottish Public Services Ombudsman Ger Deering, Office of the Ombudsman (Ireland), Ombudsman and Information Commissioner for Ireland



	Nick Bennett, former Public Services Ombudsman for Wales
Committee Staff:	Owain Roberts (Clerk) Sian Giddins (Second Clerk) Mike Lewis (Deputy Clerk) Božo Lugonja (Researcher) Christian Tipples (Researcher) Gruffydd Owen (Legal Adviser)

Registration

Private pre-meeting

1 Introduction, apologies, substitutions and declarations of interest

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

1.2 Apologies were received from Rhianon Passmore MS. Buffy Williams MS substituted for Rhianon Passmore MS.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Disused Mine and Quarry Tips (Wales) Bill: Welsh Government's response to the Finance Committee's report – 25 April 2025
- 2.2 PTN 2 – Letter from the Cabinet Secretary for Finance and Welsh Language: Welsh Language and Education (Wales) Bill – Revised Regulatory Impact Assessment – 28 April 2025
- 2.3 PTN 3 – Letter from the Cabinet Secretary for Economy, Energy and Planning: Inter-Ministerial Group for Business and Industry (IMG) – 30 April 2025
- 2.4 PTN 4 – Letter from the Cabinet Secretary for Economy, Energy and Planning: Tourism Inter-Ministerial Group (IMG) – 29 April 2025
- 2.5 PTN 5 – Letter from the Public Services Ombudsman for Wales: Review into operations, processes and investigations – Councillor Code of Conduct Complaints – 29 April 2025
- 2.6 PTN 6 – Second Supplementary Budget 2024–25: Welsh Government response – 30 April 2025

3 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Evidence session 2

3.1 The Committee took evidence on the Post-legislative review of the Public Services Ombudsman (Wales) Act 2019 from Margaret Kelly, Northern Ireland Public Services Ombudsman; Andrew Crawford, Acting Scottish Public Services Ombudsman; and Ger Deering, Office of the Ombudsman (Ireland), Ombudsman and Information Commissioner for Ireland.

3.2 The Committee agreed to write to the witnesses with questions that weren't reached during the evidence session.

Break

4 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Evidence session 3

4.1 The Committee took evidence on the Post-legislative review of the Public Services Ombudsman (Wales) Act 2019 from Nick Bennett, former Public Services Ombudsman for Wales.

Break

5 Bus Services (Wales) Bill: Evidence session

5.1 The Committee took evidence on the Bus Services (Wales) Bill from Ken Skates MS, Cabinet Secretary for Transport and North Wales, Welsh Government; Alex Walters, Deputy Director, Public and Integrated Transport, Welsh Government; Andrew Hobden, Economist, Welsh Government; and James Burgess, Head of Bus and Community Transport, Welsh Government.

5.2 The Cabinet Secretary for Transport and North Wales agreed to provide a note on the following:

- the generalised journey time approach;
- the cost of transitioning to a zero-emissions bus fleet;
- the research being undertaken by the Wales Centre for Public Policy on success factors for contracting and awarding bus franchising, once this research has been completed;
- the methodology adopted by Transport for Wales in developing the 'aspirational network';
- the 10 full-time equivalents required for the bus reform model which has been estimated in the Regulatory Impact Assessment at a cost of approximately £1.2 million per year, in particular, further detail on how the £115,000 annual salary for staff was calculated, and a break down of the functions of these roles and the costs associated with them.

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

6.1 The motion was agreed.

7 Bus Services (Wales) Bill: Consideration of evidence

7.1 The Committee considered the evidence received.

8 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Consideration of evidence

8.1 The Committee considered the evidence received.

9 First Supplementary Budget 2025–26: Directly Funded Bodies

9.1 The Committee considered the supplementary budget requests of the directly funded bodies.

Agenda Item 2.1

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, Finance Committee
Senedd Cymru

5 June 2025

Dear Peredur,

A meeting of the Finance: Interministerial Standing Committee (F:ISC) will take place on 26 June in London. It will be chaired by the Chief Secretary to the Treasury (CST).

We will discuss the outcomes of the 2025 UK Spending Review, which concludes on 11 June. We will also consider the latest fiscal position and begin to look ahead to the Autumn Budget.

We will discuss the UK government's Industrial Strategy and growth-driving sector plans. I will highlight the priorities for the Welsh Government including opportunities for strategic alignment with our economic priorities, maximising our growth potential, and driving further decarbonisation. We will also discuss the UK government's proposed 10 Year Infrastructure Strategy, which sets out a long-term plan for the country's social, economic and housing infrastructure. Driving economic growth is a shared ambition, so these discussions allow the opportunity to share from our experiences and to collaborate in relation to our Wales Infrastructure Investment Strategy and pipeline.

We will continue previous discussions on fiscal flexibilities. This is a matter of shared interest. I will outline the importance of the Welsh Government having appropriate budgetary flexibilities, and we will discuss options to enable us to maximise our resources to support economic growth and the delivery of public services.

Following the meeting, I will meet separately with the Chief Secretary to the Treasury to discuss the outcome of the UK Spending Review and the implications for Wales.

I will write to the Committee after the F:ISC to update it on discussions.

Yours sincerely,

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

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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.

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Peredur Owen Griffiths MS

Chair

Finance Committee

22 May 2025

Dear Peredur,

Scrutiny of the Draft Budget 2025-26: Evidence provided by the Welsh Government

Thank you for your letter and for giving the Committee the option to feed into your work on the budget process. Whilst the Committee has been broadly happy with the evidence we have received for the most recent budget rounds, we do have some ideas and comments we would like to feed in.

Timing

I am disappointed that the Welsh Government has regularly published its draft budget in a way that means the committee scrutiny period falls over the Christmas recess. I note this is a frustration your Committee shares.¹

Whilst I accept the Welsh Government's budget process is somewhat dictated by the UK Government, the timing of all of this Senedd's budget rounds – falling over Christmas – is not conducive to good scrutiny. This timing puts additional pressure on stakeholders during a time when many people are on leave and offices are closed, and it also restricts the amount of meeting time committees have to review the draft budget. For future budgets, the Welsh Government must work hard to avoid committee budget scrutiny falling over the Christmas recess.

¹ Finance Committee report: **Scrutiny of the Welsh Government Draft Budget 2024-25**, paragraph 17

Evidence received

The Committee is broadly content with the evidence we have received as part of the budget process. I would like to note that we have found the breakdown of actions by BEL activity tables particularly useful. In general, as well as providing budget details, we appreciate the fact that budget evidence papers provide a useful general update across portfolios and so are helpful for transparency and ongoing scrutiny.

However, in the future, we would like to see more information about the engagement the Welsh Government has undertaken with specific stakeholders and more widely with citizens on the development of its budget as part of the evidence base. This would help us both understand the thinking behind decisions and allow us to focus our work on the budget.

Limited impact

Whilst I do welcome the opportunity to carry out budget scrutiny, and as noted above it provides a core part of our ongoing scrutiny of the Welsh Government, I personally find the impact of committee scrutiny on the budget somewhat limited. Our proportional system has tended to return very small majority or minority Governments. This means political deals have to be done, usually behind the scenes, to ensure budgets pass. As a result, the budget process itself can feel somewhat like a fait accompli.

Thank you again for the opportunity to feed into this work.

Yours sincerely,



Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Peredur Owen Griffiths MS
Chair
Finance Committee

28 May 2025

Scrutiny of the Draft Budget 2025-26: Evidence provided by the Welsh Government

Dear Peredur,

Thank you for your letter seeking the Committee's views on the draft budget documentation provided by the Welsh Government, which we considered at our meeting on 8 May 2025. We have focused our response on the following areas:

Welsh language

The Welsh language is a cross-cutting policy area, with expenditure embedded across ministerial portfolios. This means it is not possible for us to scrutinise every funding allocation aimed at supporting and promoting the Welsh language. To help inform our scrutiny, it would be helpful if the Welsh Government could set out how the Welsh Language budget is allocated and how much is allocated to each area/issue. We would like to see a more structured approach to the written evidence, as we have found that it often lacks clarity and focus by dealing with the same issue in several places. Similarly, there is a lack of clarity in relation to the Strategic Integrated Impact Assessments (SIAs) and how they affect budgetary decisions.

International Relations

It is disappointing that the First Minister refused to provide oral evidence to the Committee on the draft budget 2025-26. This has continued the approach of both her predecessors to international relations budget scrutiny in the Sixth Senedd, which has not aided our scrutiny. As a result, our scrutiny was primarily informed by correspondence from the First Minister which, regrettably, we did not receive until 20 December 2024. This, coupled with the First Minister's decision not to appear before the Committee, has left insufficient time for meaningful scrutiny.

We believe that if a First Minister chooses to take on policy responsibilities, they should make themselves available to be held to account for those responsibilities. If a First Minister is unable to do so, they should consider delegating those responsibilities to another Minister. Therefore, in our [report](#) on the Draft Budget 2025-26, we recommended that the Welsh Government must ensure that, when requested by the relevant committee, the Minister responsible for International Relations appears in person for oral evidence sessions on future Draft Budgets.

In our report, we also made a number of recommendations relating to the written evidence provided. As I am sure you can appreciate, in the absence of oral evidence, it is vital that written evidence is clear, detailed, and high quality. It must provide sufficient information and evidence about intended outputs, outcomes, impact, and value for money.

Unfortunately, the First Minister's written evidence provided limited detail in terms of finalised breakdowns or allocations, or on outcomes, impact and value for money relating to spending in previous years (examples can be found in paragraph 89 of our [report](#) on the Draft Budget 2025-26). We recommended that the Welsh Government must ensure that written evidence provided to inform our budget scrutiny includes:

- Comprehensive breakdowns of planned spending within the BEL including International Engagement and International Offices;
- Information relating to outputs, outcomes, impacts and value for money for each area of expenditure within the International Relations BEL;
- Allocations and comparisons with planned spend for forthcoming year against the previous year; and
- An outline of further potential challenges and prioritisations the Welsh Government may need to take in future years.

We would also like to see an improvement in the level of detail provided to us. We need assurance that the planned spending is allocated in areas that will deliver the intended outcomes, but we did not feel that the evidence provided by the First Minister provided us with sufficient information to inform effective scrutiny. Similarly, we would like to see more transparency in the evidence provided to us. The First Minister's written evidence does not include any information on outcomes from the Welsh Government's current financial year or expected outputs. Without this information, we have not been able to assess outcomes, deliverables and value for money in relation to spending. In her letter to the Committee, the First Minister made several statements for which no supporting evidence was provided to demonstrate that internal planning and outcomes align with the International Strategy (examples can be found in paragraphs 90-93 of our report).

Concerningly, the First Minister informed us that decisions on budget allocations for key work areas had not yet been taken. We have still not received this information, despite the First Minister's commitment to provide it when it was finalised. An example of this would be the Welsh Government's promotional 'Wales in Japan' year 2025, which is by now almost halfway through. We have previously raised concerns about the effect of late-stage budget decisions on stakeholders and delivery partners.

Cadw

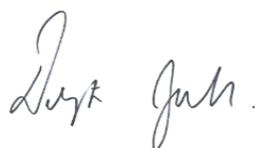
In our 2025-26 Draft Budget report we recommended that the Welsh Government "commit to providing us on an annual basis with information about Cadw's operation, performance and spending". The Welsh Government accepted this recommendation, and directed us to Cadw's Annual Report on its website, the latest of which is for 2022-23. For effective scrutiny of the Draft Budget, the Committee needs information about Cadw's financial performance for the most recent financial year.

Timeliness

Over the past three years, the time available for Draft Budget scrutiny has been insufficient due to the Welsh Government's decision not to publish the draft budget until just before the Christmas recess. The short timeframe has been especially problematic when we have been relying on exchanges of correspondence with the First Minister, without the opportunity in oral evidence to explore and clarify matters. We strongly believe that the Welsh Government should be taking all steps to ensure the earliest possible publication of its draft budget and supporting documentation to facilitate meaningful scrutiny. As you know, the reporting deadline for Committees to report on the draft budget is normally the day before the Plenary debate. The limited time available for scrutiny, which was exacerbated by Christmas recess, has meant that it is challenging to meet the deadlines. This has also, in turn, resulted in very limited time for Senedd Members, the Welsh Government and stakeholders to consider committee reports before the Plenary debate takes place, which I'm afraid raises questions about the value of the entire process.

We hope to see timely and effective engagement, as well as significant improvements in the documentation that is provided to us when it comes to scrutiny of the Welsh Government's Draft Budget 2026-27.

Yours sincerely,



Delyth Jewell MS
Committee Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

**Y Pwyllgor Llywodraeth Leol
a Thai**

**Local Government
and Housing Committee**

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Peredur Owen Griffiths MS
Chair
Finance Committee

28 May 2025

Scrutiny of the Draft Budget 2025-26: Evidence provided by the Welsh Government

Dear Peredur,

Thank you for your letter dated 1 April 2025 regarding the Welsh Government's Draft Budget documentation.

I would like to reiterate the concerns the Committee has previously raised in correspondence on this issue, in particular the timeliness of the documentation received.

The recent pattern of publishing the Draft Budget shortly before Christmas recess makes it challenging to meaningfully assess its impact on policy areas within our remit. Over the past three years, the draft budget scrutiny process has felt rushed, with our report being laid the day before the Plenary debate. This raises questions in relation to the extent in which Senedd Members, the Welsh Government and stakeholders can meaningfully consider committee reports before the debate.

As stated in previous correspondence, we believe that there is room for more clarity and transparency in the Welsh Government's draft budget documentation and ministerial written evidence. We would like to see more detail under each BEL, for example the homelessness prevention BEL needs to account for the Housing Support Grant separately, alongside the other element of the BEL. It would also be helpful if the Welsh Government could set out in written evidence how the provisional local government settlement considers the requirement for the sector to comply with certain statutory duties and/or Programme for Government priorities, such as the Welsh language; inequalities and the nature and climate emergency. Providing this information in written evidence would enable more in-depth scrutiny during oral evidence sessions.

I hope you find this response helpful.

Yours sincerely,



John Griffiths MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Peredur Owen Griffiths MS
Chair, Finance Committee

29 May 2025

RE: Scrutiny of the Draft Budget 2025-26: Evidence provided by the Welsh Government

Dear Peredur,

Thank you for your letter dated 1 April 2025, which we considered during our meeting on 14 May 2025. Our responses to your questions are set out below.

1. What improvements would you like to see in the Welsh Government's Draft Budget documentation and subsequent ministerial written evidence? Please make reference to the timeliness, quality and usefulness of any documentation and/or evidence received in your response.

We had no concerns with the timeliness, quality or usefulness of the 2025-26 Draft Budget documentation and the ministerial written evidence that we received from either the Cabinet Secretary for Education and her Minister and the Cabinet Secretary for Health and Social Care and his Ministers. We received the evidence on time (or early), and it comprehensively answered the significant number of questions that we had submitted. It supported Members of the Committee and Senedd researchers during our scrutiny of the Draft Budget, and will feed into scrutiny work we undertake throughout the financial year.

We thank the Cabinet Secretaries, Ministers and their officials for their significant support for the scrutiny process at a particularly challenging time of the year.

2. Given the UK Spending Review, which is due to be published on 11 June 2025, will provide indicative funding for the Welsh Government future years, do you have any views on information you would require regarding a subsequent Welsh Spending Review, either along with budget documentation or as a separate exercise?

FIN(6)-15-25 P5

We welcome multi-year spending reviews, and urge the Welsh Government to provide the Senedd with multi-year projections of both its revenue and capital budgets following the spending review in June 2025. Alongside those projections (and alongside future Draft Budget allocations), the Welsh Government should clearly set out its funding priorities and the mechanisms by which it will use the funding at its disposal to achieve its policy objectives.

We believe that Wales deserves its fair share of funding from the UK Government. We are concerned that the current funding settlement may not fully recognise the significant levels of need across Wales. We would like information from the Welsh Government about whether, and to what extent, it has explored alternative funding mechanisms with the UK Government.

We have identified a need for additional capital and revenue investment in a range of areas, including education, local government, and health. We therefore urge both Finance Committee and the Welsh Government to advocate for a multi-year settlement that recognises that need.

Yours sincerely,



Buffy Williams MS

Chair

Children, Young People and Education Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Peredur Owen Griffiths MS
Chair, Finance Committee

3 June 2025

Dear Peredur

Scrutiny of the Draft Budget 2025-26: Evidence provided by the Welsh Government

Thank you for your letter of 1 April inviting views on the information provided by the Welsh Government as part of its draft budget documentation. The Committee considered this matter at its meeting on 21 May and agreed that I should write to draw your attention to the following points.

In previous reports on the draft budget, the Committee has called for the Welsh Government to publish the Cabinet Secretary's Health Board Allocation letter along with the NHS Planning Framework, which guide health boards' Integrated Medium-Term Plans. It has called for this to be done either ahead of, or alongside, publication of the other Welsh Government draft budget documentation. Despite agreeing to this, these documents were not published ahead of last year's draft budget scrutiny, and instead had to be requested by the Committee. These documents are an important tool in enabling the Committee to understand and scrutinise the Welsh Government's spending priorities and decisions, and we urge the Welsh Government to make this information available as part of this draft budget round.

We have also previously called for the Welsh Government to provide an annual update about the work of the Value and Sustainability Board, the efficiencies that have been implemented, and the opportunities it has identified to support financial improvement. We believe such an update would be a valuable part of our draft budget scrutiny work.

Finally, we have previously recommended that the Welsh Government should provide a comprehensive breakdown of preventative spending across all NHS bodies in Wales, along with detailed evidence of how the budget allocated to prevention initiatives is being used. This recommendation was accepted in principle, and we understand that a project is underway to analyse preventative spend across the HSCEY Group; we expect to receive an update on the work of that project in the autumn. We do, however, wish to take this opportunity to re-iterate our recommendation in this area. We believe it is an important means by which the Committee can scrutinise the Welsh Government's commitment to shifting health spending allocations towards prevention.

I hope this response is a useful contribution to your work.

Yours sincerely

A handwritten signature in black ink that reads "Peter". The signature is written in a cursive, flowing style.

Peter Fox MS
Chair, Health and Social Care Committee

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