

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee
room 2, Senedd and video conference
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 26 June 2025

0300 200 6388

Meeting time: 09.00

SeneddFinance@senedd.wales

Registration

(08.30 – 08.45)

Private pre-meeting

(08.45 – 09.00)

1 Introduction, apologies, substitutions and declarations of interest

(09.00)

2 Paper(s) to note

(09.00)

(Pages 1 – 7)

Minutes of the meetings held on 4 June and 11 June.

2.1 PTN 1 – Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs: Inter-Institutional Relations Agreement: Intergovernmental Relations Annual Report – 5 June 2025

(Page 8)

2.2 PTN 2 – Letter from the First Minister: Inter-Institutional Relations Agreement: Council of the Nations and Regions and other intergovernmental meetings– 9 June 2025

(Page 9)

2.3 PTN 3 – Letter from the Legislation, Justice and Constitution Committee to the Cabinet Secretary for Finance and Welsh Language: Finance: Interministerial Standing Committee (F:ISC) – 13 June 2025

(Pages 10 – 11)



2.4 PTN 4 – Letter from third sector providers of supported living across Wales to the Cabinet Secretary for Finance and Welsh Language: National Insurance pressures on third sector supported living providers – 10 June 2025

(Pages 12 – 14)

2.5 PTN 5 – Letter from the Cabinet Secretary for Transport and North Wales: Additional information on the Bus Services (Wales) Bill – 12 June 2025

(Pages 15 – 23)

3 First Supplementary Budget 2025–26: Evidence session

(09.00 – 10.00)

(Pages 24 – 48)

Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language,
Welsh Government

Andrew Jeffreys, Director Treasury, Welsh Government

Sharon Bounds, Deputy Director, Financial Controls, Welsh Government

Supporting documents:

[First Supplementary Budget 2025–26](#) (PDF, 355KB)

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

(10.00)

5 First Supplementary Budget 2025–26: Consideration of evidence

(10.00 – 10.15)

6 Changes to the Budget Process Protocol and related budgetary procedures

(10.15 – 10.30)

(Pages 49 – 63)

Concise Minutes – Finance Committee

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

Meeting date: Wednesday, 4 June 2025

Meeting time: 09.30 – 11.33

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

<http://senedd.tv/en/15327>

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Mike Hedges MS Sam Rowlands MS
Witnesses:	Professor Chris Gill, Professor of Socio-Legal Studies, University of Glasgow Professor Naomi Creutzfeldt, Professor of Law and Society, University of Kent Angela Hughes, Assistant Director of Patient Experience, Cardiff and Vale University Health Board, representing Welsh NHS Confederation Alun Jones, Chief Executive, Healthcare Inspectorate Wales
Committee Staff:	Owain Roberts (Clerk) Sian Giddins (Second Clerk) Mike Lewis (Deputy Clerk) Masudah Ali (Legal Adviser) Ben Harris (Legal Adviser)



	Martin Jennings (Researcher) Božo Lugonja (Researcher)
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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. There was no substitute for Rhianon Passmore MS.

2 Paper(s) to note

2.1 The papers were noted.

2.1 PTN 1 – Letter from the Cabinet Secretary for Finance and Welsh Language: Welsh Reserve in 2025–26 – 16 May 2025

2.2 PTN 2 – Letter from the First Minister: Inter-Institutional Relations Agreement: Forthcoming Intergovernmental Meetings – 22 May 2025

2.3 PTN 3 – Response from the Public Services Ombudsman for Wales to questions that weren't reached during an evidence session on 30 April – 30 May 2025

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

3.1 The Committee took evidence on the Post-legislative review of the Public Services Ombudsman (Wales) Act 2019 from Professor Chris Gill, Professor of Socio-Legal Studies, University of Glasgow; and Professor Naomi Creutzfeldt, Professor of Law and Society, University of Kent.

Break

4 Post-legislative review of the Public Services Ombudsman (Wales) Act 2019: Evidence session 5 – Health related authorities

4.1 The Committee took evidence on the Post-legislative review of the Public Services Ombudsman (Wales) Act 2019 from Angela Hughes, Assistant Director of Patient Experience, Cardiff and Vale University Health Board, representing Welsh NHS Confederation; and Alun Jones, Chief Executive, Healthcare Inspectorate Wales.

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

5.1 The motion was agreed.

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

6.1 The Committee considered the evidence received.

7 Approach to the nomination of the Auditor General for Wales

7.1 The Committee considered the paper on the approach to the nomination of the Auditor General for Wales and agreed the actions within the paper.

8 First Supplementary Budget 2025–26: Directly Funded Bodies

8.1 The Committee considered the draft report chapter relating to the supplementary budget requests of the directly funded bodies. This chapter will form part of the Committee's draft report on the Scrutiny of the First Supplementary Budget 2025–26.

9 Review of Budget Process Protocol and associated procedures

9.1 The Committee considered the paper on the review of Budget Process Protocol and associated procedures, and agreed to write to the Cabinet Secretary for Finance and Welsh Language.

Concise Minutes – Finance Committee

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

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

<http://senedd.tv/en/15129>

Meeting date: Wednesday, 11 June 2025

Meeting time: 09.30 – 10.41

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Mike Hedges MS Samuel Kurtz MS (In place of Sam Rowlands MS) Hefin David MS (In place of Rhianon Passmore MS)
Witnesses:	Jayne Bryant MS, Cabinet Secretary for Housing and Local Government Hannah Fisher, Head of Homelessness Prevention Legislation, Welsh Government Sarah Rhodes, Deputy Director Housing Policy, Welsh Government
Committee Staff:	Owain Roberts (Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher)



Registration

Private pre-meeting

1 Introductions, 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 and Sam Rowlands MS. Hefin David MS substituted for Rhianon Passmore MS and Sam Kurtz MS substituted for Sam Rowlands MS.

1.3 Members declared the following relevant interests under Standing Order 17.24A:

- Hefin David MS declared that he is the Senedd Commissioner for Budget and Governance.

2 Paper(s) to note

2.1 The paper was noted.

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

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

3.1 The Committee took evidence on the financial implications of the Homelessness and Social Housing Allocation (Wales) Bill from Jayne Bryant MS, Cabinet Secretary for Housing and Local Government, Welsh Government; Sarah Rhodes, Deputy Director Housing Policy, Welsh Government; and Hannah Fisher, Head of Homelessness Prevention Legislation, Welsh Government.

3.2 The Cabinet Secretary for Housing and Local Government agreed to provide a technical note on the model and assumptions used by Alma Economics to develop the cost-benefit analysis of the Bill.

3.3 The Committee agreed to write to the Cabinet Secretary for Housing and Local Government with questions that weren't reached during the evidence session.

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

4.1 The motion was agreed.

5 Financial implications of the Homelessness and Social Housing Allocation (Wales) Bill: Consideration of evidence

5.1 The Committee considered the evidence received.

6 Correspondence from Senedd Committees on Draft Budget 2025–26 scrutiny

6.1 The Committee considered the cover paper and the correspondence received from Senedd Committees on Draft Budget 2025–26 scrutiny, and agreed to write to the Cabinet Secretary for Finance and Welsh Language.

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

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

SeneddLJC@senedd.wales

5 June 2025

Dear Mike,

Inter-Institutional Relations Agreement: Intergovernmental Relations Annual Report

I am writing in accordance with the inter-institutional relations agreement to notify you that I today laid an Intergovernmental Relations Overview Report, which covers the period of April 2023 to July 2024. The published report can be accessed [here](#). In addition, I have issued an accompanying written statement, which can be accessed [here](#).

I have copied this letter to the chairs of the Committee for the Scrutiny of the First Minister; Children, Young People and Education Committee; Climate Change, Environment, and Infrastructure Committee; Culture, Communications, Welsh Language, Sport, and International Relations Committee; Economy, Trade, and Rural Affairs Committee; Equality and Social Justice Committee; Finance Committee; Health and Social Care Committee; and Local Government and Housing 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

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

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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.

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

SeneddLJC@senedd.wales

09 June 2025

Dear Chair

Further to my letter of 22 May 2025 and in accordance with the Inter-Institutional Agreement, I am writing to draw to your attention to a [Written Ministerial Statement](#) summarising discussions at the Council of the Nations and Regions and at other intergovernmental meetings on 23 May 2025.

I am copying this letter to Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs; Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning; Julie James MS, Counsel General and Minister for Delivery; the Rt Hon Elin Jones MS, the Llywydd; the Chair of the Finance Committee; and the Chair of the Economy, Trade and Rural Affairs Committee.

Yours sincerely



Eluned Morgan

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**Legislation, Justice and
Constitution Committee****Welsh Parliament**

Cardiff Bay, Cardiff, CF99 1SN

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0300 200 6565

Rt Hon Mark Drakeford MS

Cabinet Secretary for Finance and Welsh Language

13 June 2025

Dear Mark

Meeting of the Finance: Interministerial Standing Committee

Thank you for letter of 5 June 2025, in which you provided detailed information about agreed agenda items for discussion at the forthcoming meeting of the Finance: Interministerial Standing Committee (F:ISC), to be held on 26 June 2025.

The Committee noted your letter at our meeting on 9 June 2025. In that meeting we received evidence from the Deputy First Minister and from the Counsel General in respect of a number of matters, including the provision of information under the inter-institutional relations agreement and the UK Government's review of the *United Kingdom Internal Market Act 2020*.

The Deputy First Minister told the Committee that further discussions on the financial assistance powers contained in the UK Internal Market Act, in light of the Welsh Government's objection to the use of such powers, would take place at the 26 June meeting of the F:ISC. The Committee has previously expressed its disappointment that the UK Government's review is not considering its financial assistance power, and as such the Committee welcomes the statement made by the Deputy First Minister about discussions in the F:ISC.

We note, however, that a discussion on this matter does not feature as one of the agenda items set out in your letter of 5 June. Given this Committee's interest, we would be grateful if you could include a summary of the F:ISC's deliberations on this topic when you next write to the Committee in respect of the meeting held on 26 June.

I am copying this letter to the Chair of the Finance Committee, Peredur Owen Griffiths MS.



Yours sincerely,

Mike Hedges

Mike Hedges

Chair

Agenda Item 2.4

Dear Mark Drakeford MS,

CC: Finance Committee; Health and Social Care Committee; Jeremy Miles MS; Dawn Bowden MS; Sarah Murphy MS.

RE: National Insurance pressures on third sector supported living providers

Wales should be proud of its history in creating the supported living sector that so many people with learning disabilities thrive in today. Today, there are people with learning disabilities that live with friends, in communities that are welcoming, accessible and supportive. In the past, too many people would have been in large-scale institutions for decades, and the fact that Wales played a leading role in shaping a more supportive, progressive and human rights-based approach to the housing and care needs of people with learning disabilities should be celebrated.

There is still work to do, not least in repatriation and bringing more people out of costly, ineffective and harmful settings out of county or even out of *country*.

We are writing to you today, in urgency, because the supported living model – one that has been the foundation of learning disability support for a generation or more – is under critical and urgent threat. We need urgent action from the Welsh Government.

As a group of providers, we have continued to watch with alarm as fiscal decisions made at a Westminster level have impacted the financial viability of our services. We are, predominantly, a sector that is led by the third sector, with social value at the heart of our mission. We have developed co-productive approaches to support that are now being adopted in wider sectors. We led the creation of positive behavioural support which is a template for the trauma-informed approaches across Wales now being taken up more widely. We also offer a less costly model for independent living, that saves health and social care huge costs over decades.

This model is, however, significantly vulnerable to increased costs, whilst at the same time acting as a clear example and model for Rebalancing Care and Support Services in Wales as per recent Welsh Government policy and legislation developments.

This year, the impact of the National Insurance changes has left many not for profit Learning Disability providers struggling, with significant deficits and without uplifts from all of our local authority commissioners that would enable us to remain sustainable.

Although the picture across Wales is mixed we have all signed this letter as a network of providers, because we are clear that the trajectory for our sector is worrying. Some local authorities have provided sufficient funding, whilst others have not, and at the same time some authorities do not recognise or fund the national commitment to paying the Real Living Wage. This is creating a postcode lottery for providers, and ultimately, for the people we support, across Wales. The recent National Insurance changes on top of the

(positive) programme for government commitment to Real Living Wage as well as increasing inflationary pressures is currently challenging to meet. Additionally, the way funding is currently administered makes it difficult for Welsh Government to understand what uplifts have been offered to meet specific costs.

We are writing, urgently, to request that the Welsh Government make additional funds available to cover the costs of the National Insurance changes, for supported living providers specifically.

This needs to be ringfenced, because currently we are seeing mixed responses across Welsh local government, with some offering zero uplift, others partial and others closer to what is needed. We have also noted significant confusion – some figures are shared that appear as if full uplifts have been given, but often they do not include all recent statutory updated costs.

To be clear, as a sector we are proud to be Real Living Wage employers however there are three clear areas that are driving costs up:

- National Insurance changes;
- The Programme for Government commitment to pay staff at the Real Living Wage (and corresponding differentials for management and career progression);
- Inflationary costs and other pressures.

We are currently working as a sector with our representative body, Cymorth Cymru, and anticipate them communicating to Welsh Government, a reflection of the costs associated with the shortfalls in funding for the RLW and NI. We fully support and endorse their work on this issue. The impact it is having is clear. We have seen the closure of Cymryd Rhan, and we are already seeing expectations that third sector allocate reserves for their day-to-day running costs, which is not a sustainable or prudent use of reserves. This cannot continue.

We understand the pressures on budgets. We hope that any forthcoming UK Government fiscal event on the 11th June, if it results in positive Barnett consequentials, will provide the scope for Welsh Government to make this provision.

At absolute minimum, we hope that the Welsh Government, in preparation for the final budget before the Senedd elections, will commit to a stable, sustainable funding package for supported living – with guidance that ensures clarity to commissioners and providers about what the expectations are for cost recovery.

We have never faced pressures such as those we face currently, even in the midst of austerity. Our sector is one of the areas that Wales should be deeply proud of. World-leading decades before the Housing (Wales) Act, or the Wellbeing of Future Generations (Wales) Act, or any of the significant successes of devolution. We are facing the very real risk that many of the providers across Wales will have to close or drastically reduce their services. That would be a tragedy for the people we support, and their families.

We look forward to your response.

Best wishes,

Claire Higgins, CEO of Andheddau

Geraint Jenkins, CEO of Cartrefi Cymru

Rick Wilson, CEO of Community Lives Consortium

Rachael Dodgson, CEO Dimensions UK / Dimensions Cymru

Russ Kennedy, Managing Director of Dimensions Cymru

Rhian Jones, CEO of Drive

Nick French, CEO of Innovate Trust

Kirsty Davies-Warner, CEO of Mirus Wales

Beth Radford, CEO of Perthyn

James Wadlow, Director at Pobl

Ken Skates AS/MS

Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North WalesLlywodraeth Cymru
Welsh Government

Ein cyf/Our ref KS/PO/288/2025

Peredur Owen Griffiths MS Chair,
Finance Committee
Senedd Cymru
Cardiff
CF99 1NA

12 June 2025

Dear Peredur

Bus Services (Wales) Bill

Thank you for inviting me to give evidence on the Bus Services (Wales) Bill to the Committee 7 May 2025. I am writing to provide you with the further information requested by the Committee.

1. As requested, please find a technical briefing note covering the “Generalised Journey Time Approach” used in the RIA.

Generalised Journey Time (GJT) is a standard term used in transport planning and economics – and is effectively the ‘perceived’ journey time rather than the actual journey time.

GJT = JT + PWTCanolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Caerdydd • Cardiff
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Correspondence.Ken.Skates@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.

JT actual journey time from embarking to disembarking of a bus or the actual intended journey time denoted on a timetable.

PWT perceived wait time which is the headway (for example a bus every 30 minutes) divided by half

So, for example a bus journey of 20 minutes that comes every 30 minutes would have a **GJT** of 35 minutes (20+15).

Journey Time Benefits, within the RIA, means the difference between the 'existing' baseline network (in 2020) and the proposed optimised network. It includes perceived benefits i.e. it is not just 'actual' journey time.

Main journey time benefits are attributed to:

- Reduced waiting time
- Better connection with other services and hence quicker 2-leg journeys
- Reduced boarding time due to having a simpler ticketing system that covers all buses
- Perceived quality improvements – such as easy-to-understand network information (following rationalisation / simplification), and a better, integrated ticketing system

In the RIA document itself, 'journey time' is generally referring to the 'actual' journey time.

There are also multiple references to Generalised Journey Time (or GJT) - and there are explanations in the RIA of why and how perceived values of time are used to assess benefits.

2. The Committee asked that I share some detail on the bus fleet in Wales which was given in the meeting.

Please find the table below which details the current fleet ages across Wales.

Current Understanding of Welsh bus fleet							
	More than 16 years old	13 - 15 years old	10 - 12 years old	7 - 9 years old	4 - 6 years old	Less than 3 years old	Total
Total	261	150	425	328	110	273	1547
%	16.9%	9.7%	27.5%	21.2%	7.1%	17.6%	

3. I offered to provide a briefing note on the research being undertaken by the Wales Centre of Public Policy, please find that below:

Welsh Government officials and Transport for Wales are working with a range of key stakeholders, including researchers and international tendering authorities, to understand best practice, and to understand what parts of contracts have had the best effect on producing a successful and sustainable network. As well as informing the development the expected contract content, this is also providing invaluable engagement opportunities with authorities across the world on all aspects of bus reform.

The Wales Centre for Public Policy (WCPP) are currently developing a research piece titled "Success factors for contracting and awarding bus franchising in Wales". The research aims to answer two overarching questions:

- In bus franchising, what practices or features of contracting and awarding show promise in achieving desired quality improvements and policy outcomes whilst delivering value for money?
- How can contracting, including incentives, help to enable: modal shift by increasing bus patronage; Net Zero 2050; transport integration; and transport poverty reduction?

This piece of work, coproduced with Welsh Government officials and Transport for Wales, has welcomed input from various experts and franchising authorities across the world, all of which have successfully implemented and sustained models like the one we are suggesting with the Bill.

We have had presentations from transport authorities in Sweden (Västra trafik), Norway (Ruter), Ireland, Jersey, Queensland Australia, and Singapore. Also, UK cases from Liverpool City Region and Cambridgeshire and Peterborough CMA.

We have also had presentations from the following experts - the Institute for Transport and Logistics Studies in the University of Sydney, Prof Peter White at the University of Westminster and Dr Van de Velde from TU Delft in the Netherlands.

The research paper will be available to share in late June and I will share this with the Committee as soon as possible.

4. I offered to invite Transport for Wales to provide a technical note covering the methodology for the work in South West Wales

Transport for Wales have produced a technical note on the methodology being used in South West Wales in the development of the network in this region. This note is attached to this briefing.

5. I offered to Committee that an update would be carried out on the RIA for stage 2, to capture the change in estimated salaries for Transport for Wales to reflect the change in roll out plans from the original 9 zones, to the now agreed 4 zones.

In line with standard procedure, and with relevance to your request, I have instructed officials to update the RIA by the end of stage 2.

As part of the update, they will be looking in particular at the staffing figures in order to show a more accurate account of what the staffing costs will be going forward, especially as the original figures were based on a 9-zone roll out.

Once again, I want to thank the Committee for their time and if you have any further questions, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Skates', enclosed in a thin black rectangular border.

Ken Skates AS/MS

Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales

Technical Note – Bus Franchising Zonal Methodology

29th May 2025

Transport for Wales (TfW) provide this technical note to support the Committee’s consideration of the Bus Bill. It provides specific details in relation to the regional working that is underway to develop regional blueprints for Bus Reform.

Zonal methodology

The zonal methodology, developed in April 2024, sets out a process which enables TfW to work in partnership with Welsh local authorities to create detailed and robust plans to support the joint implementation of franchising in each respective zone.

There are 5 core phases to the methodology:

1. Initial Planning
2. Detailed Design
3. Zonal Assessments
4. Zonal Plan
5. Acceptance & Sign Off

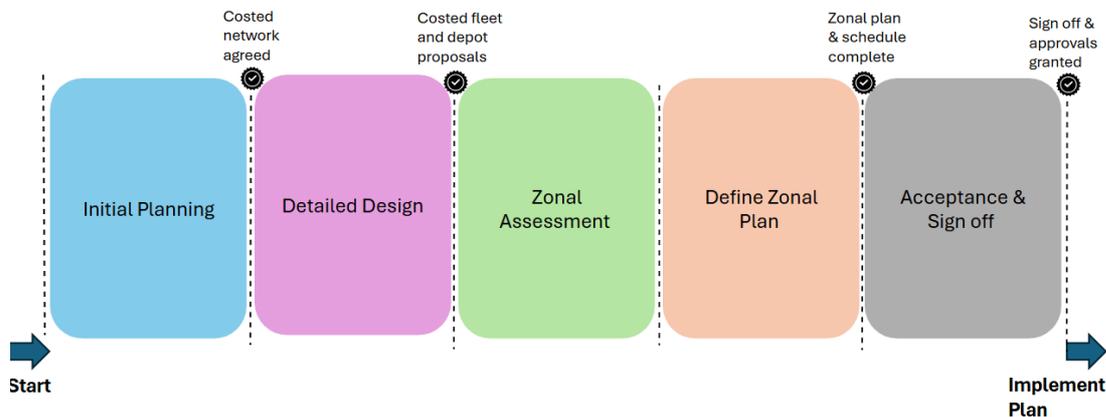


Figure 1: Zonal Methodology Overview

1. Initial planning

1.1 The initial planning phase primarily focuses on co-developing two iterations of a franchised bus network, integrated with rail and other modes.

1.2 The first iteration – the ‘Base Network’ – is a network based on the existing bus network with some improvements based on the network planning principles (such as coordinated headways, regular frequencies etc), whilst still meeting the current funding envelope.

- 1.3 The second iteration – the ‘Aspirational Network’ – identifies a network with greatly improved efficiency, accessibility and opportunity, but requires additional funding to deliver. It sets the vision for the network in the future.
- 1.4 Our current assumption is that an evolutionary approach would be taken to transition from the Base to the Aspirational position, phasing in improvements in line with a set of regional scaling principles. In the South West, the Aspirational Network assumes a c. 30% uplift in mileage.
- 1.5 Where available, we are using data to inform network planning. Primarily, demand and performance data is key, alongside qualitative input from stakeholders. We will shortly be undertaking a public engagement exercise to further inform network planning.
- 1.6 We have reviewed multi-modal transport flows in the South West, to undertake a ‘gap analysis’. This identified some flows that warranted some further investigation in the Aspiration Network. As we look to the future, and continue to refine the Aspirational Network, there are other datasets we plan to utilise. These include the measures of access, opportunity and integration.
- 1.7 As draft networks are designed, these are inputted into both a zonal cost and revenue model, based on TfWs national cost and revenue models, to determine the net operational cost of the network. This is then compared with current regional funding (including BNSG, BSSG, concessionary reimbursement and additional contributions to support the network) to understand the amount of subsidy required to deliver the network per annum. The Base Network is designed to be deliverable within the current funding envelope.

2. Detailed design

- 2.1 The detailed design stage of the methodology establishes three key zone-specific outputs: zonal depot proposal, zonal fleet proposal and provisional franchise procurement packages. This level of detail will further inform the revenue and capital costs associated with supporting the network, with a view to ensuring affordability and deliverability.
- 2.2 The depot proposal development process addresses the following:
 - Should we own a depot in this zone?
 - Is public-sector ownership of a given depot required to enable and accelerate decarbonisation?
 - Is public-sector ownership of a given depot required to generate competition for franchise packages?
 - If we do own a depot, where should it be located?
 - Based on the forecast Peak Vehicle Requirement (PVR), and allowing for future growth, what size should the depot be?
- 2.3 This process also involves the application of the requirements of a Minimum Viable Product for a depot facility to these locations. It also involves:

- Analysis of proposed sites
- Stakeholder and operator engagement around recommended depot locations
- Comparison against existing depots in zone

2.4 The fleet proposal development process uses the PVR (peak vehicle requirement) of the network designed in the initial planning phase to form a zonal fleet profile, including:

- Vehicle Type (capacity and fuel type)
- Number of vehicles and spares
- Replacement strategy

2.5 Franchise packages will be formed and tested alongside key stakeholders using market analysis data, on the principle that packages must:

- Be practical
- Enable replacement of the oldest fleet
- Encourage decarbonisation
- Support a thriving SME market
- Generate competitive procurement

3. Zonal Assessment

3.1 Following detailed design, zonal assessments will be completed. The aim of these assessments is to provide quality assurance and steer around the recommendations made for the zone and agree an approach. They will be agreed by TfW, LAs and WG, but will include representation for the relevant workstreams.

4. Plan definition and sign-off

4.1 Based on the outcomes of the zonal assessments, the TfW Programme Management Office (PMO) team will facilitate the development of a detailed schedule. The outcome of this process will be a clear critical path for the build and acquisition of depots, (where appropriate) purchase of fleet, (where appropriate) and procurement plan. It will also result in a clear plan for pooling regional funding for the zone and reviewing and monitoring the network during BAU.

4.2 Following completion of the zonal delivery plan, acceptance of the plan will be sought by the required accountable body. The body accountable for sign off is to be agreed but is expected to include representatives of TfW, the CJC and Welsh Government.

4.3 During this phase, the plan will be baselined and implemented. Baselining the plan means that the plan is signed off, and any changes will proceed through an agreed change control process. Implementing the plan includes procurement, contract award, mobilisation and communicating bus service changes to the public.

Document is Restricted

Agenda Item 6

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

Document is Restricted

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

Document is Restricted

Peredur Owen Griffiths, MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

28 March 2025

Dear Peredur

As part of the Llywydd's Committee's scrutiny of the Electoral Commission's Main Estimate for Wales in 2025/26 we discussed the timing and alignment of the submission process to our three funding bodies, the UK Parliament, the Scottish Parliament Corporate Body and the Senedd.

The Committee in its [report on our 2025/26 estimate](#), said it was *“sympathetic to the challenges posed by the timing of the UK and Welsh Government Budgets and the impact this has on all Directly Funded Bodies to provide their Estimates by the statutory deadline. The Senedd's Finance Committee is currently conducting a review of the Budget Process Protocol in consultation with the Cabinet Secretary for Finance and Welsh Language, and we would urge the Commission to put forward its views on this matter.”*

You also suggested in our informal meeting of 19 February that we write to you, in your capacity as Chair of the Finance Committee on this issue.

As discussed previously, the Commission has a statutory obligation to present its estimate to the Llywydd's Committee (and to the Scottish Parliament) on its relevant devolved work by 30 September each year. This is six months before the end of the financial year, as outlined in the Senedd and Elections (Wales) Act 2020. This is significantly earlier than the deadline for submission of the UK Main Estimate which is provided to the Speaker's Committee of the UK Parliament around February/March in the year following the estimate submission in Wales. This poses a number of challenges to the Commission, including the following:

General lack of alignment and its impact on accurate financial planning / processes

Internal discussions about budget requirements must start taking place around May in order for us to have sufficient time to build these into our costing model and present the resulting estimate to the Llywydd's Committee for approval by 30 September. Similar discussions then take place later in the summer on UK Parliament budget requirements.

Establishing budget requirements, and providing accurate current-year forecasts, (as requested by the Llywydd's Committee) a year in advance of the budget request year is particularly challenging. There is a high risk that circumstances will change between May, when the internal discussion process starts for the Wales estimate and February, the following year, when we finalise the UK Parliament's estimate – possibly making the Llywydd's Committee's voice in the process less impactful.

Difficulty in accurately planning for elections over 18 months away

Operational planning this far ahead will tend to be reasonably high-level and subject to change, and so financial forecasting will typically involve high inherent levels of uncertainty.

Consistency across Parliaments given cost apportionment

As the estimate figures for Wales and Scotland are allocated from that of the UK, presenting the estimates at the same time would ensure consistency in approach.

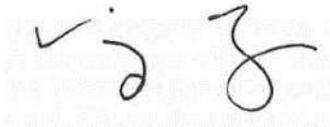
Inefficiency (and cost) of carrying out multiple budgeting processes

As noted above, we effectively have to carry out two budget exercises ahead of the following Financial Year, largely replicating the same process and effort. In our view it would be considerably more efficient to run a single budget-setting process.

We would be keen to work with you, as part of the Finance Committee's review, to explore how the deadlines could be amended so that the estimates, are prepared and submitted at the same time to each Parliament, or at least that the gap between submissions is reduced. This should not only assist the Commission in preparing accurate submissions but should also be beneficial to the Llywydd's Committee and other relevant Committees in ensuring consistent and coordinated scrutiny of what is submitted across the three Parliaments.

We welcome your engagement on this matter and look forward to hearing from you again shortly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Vijay', is written over a light grey rectangular background.

Vijay Rangarajan
Chief Executive and Accounting Officer

Peredur Owen Griffiths MS

Chair of the Finance Committee

18 June 2025

Finance Committee's procedural work

Dear Peredur,

The Business Committee recently considered its procedural work programme. We are aware that the Finance Committee is reviewing the budget process, and supplementary budget procedures as they relate to Directly Funded Bodies, and that these reviews could lead to a request for the Business Committee to undertake procedural work.

To assist us in planning our procedural work programme, we would be grateful if you could inform us of the Finance Committee's plans. In particular, whether you anticipate the need to engage the Business Committee from a procedural-work perspective, and the anticipated timing of any such engagement.

Yours sincerely,



Elin Jones MS

Y Llywydd and Chair of the Business Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English