

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: 25 February 2026

0300 200 6565

Meeting time: 09.30

SeneddFinance@senedd.wales

Registration

(09.00 – 09.15)

Private pre-meeting

(09.15 – 09.30)

1 Introduction, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

(Pages 1 – 8)

2.1 PTN 1 – Letter from the Cabinet Secretary for Finance and Welsh Language regarding the Legislative Consent Memorandum for the Finance (No. 2) Bill – 17 February 2026

(Pages 9 – 10)

2.2 PTN 2 – Letter from the Public Services Ombudsman for Wales: Consultation on our draft Strategic Plan for 2026–2029 – 17 February 2026

(Pages 11 – 12)

2.3 PTN 3 – Scrutiny of the Public Services Ombudsman for Wales Estimate 2026–27: Response from Public Services Ombudsman for Wales to the Committee's report – 18 February 2026

(Pages 13 – 16)

3 Cardiff Bay 2032 and Finance Committee legacy work – Sixth Senedd: Evidence session with the Senedd Commission

(09.30 – 10.00)

(Pages 17 – 31)

Elin Jones MS, Llywydd, Senedd Commission



Manon Antoniazzi, Chief Executive and Clerk of the Senedd, Senedd
Commission

Ed Williams, Director of Resources, Senedd Commission

Lisa Bowkett, Chief Finance Office, Senedd Commission

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

(10.00)

5 Cardiff Bay 2032 and Finance Committee legacy work – Sixth Senedd: Private briefing with the Senedd Commission

(10.00 – 10.30)

Elin Jones MS, Llywydd, Senedd Commission

Manon Antoniazzi, Chief Executive and Clerk of the Senedd, Senedd
Commission

Ed Williams, Director of Resources, Senedd Commission

Lisa Bowkett, Chief Finance Office, Senedd Commission

6 Cardiff Bay 2032 and Finance Committee legacy work – Sixth Senedd: Consideration of evidence

(10.30 – 10.45)

Concise Minutes – Finance Committee

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

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

<http://senedd.tv/en/15918>

Meeting date: Thursday, 29 January 2026

Meeting time: 09.30 – 10.50

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Mike Hedges MS Rhianon Passmore MS Sam Rowlands MS Mark Isherwood MS Adam Price MS
Witnesses:	Catherine Mealing-Jones, Preferred Candidate for Auditor General for Wales
Committee Staff:	Owain Roberts (Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher) Ben Harris (Legal Adviser)



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 The Chair welcomed Mark Isherwood MS and Adam Price MS, who attended agenda items 3 and 5 as Members of the Public Accounts and Public Administration Committee, in accordance with Standing Order 17.49.

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:
Gender Budgeting – 19 January 2026**

2.2 **PTN 2 – Welsh Government Draft Budget 2026–27: Welsh Government response to
the Finance Committee's report – 23 January 2026**

3 Pre-nomination Hearing – Auditor General for Wales

3.1 The Committee conducted a Pre-nomination Hearing of the preferred candidate for the position of Auditor General for Wales, Catherine Mealing-Jones.

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 Pre-nomination Hearing – Auditor General for Wales: Consideration of hearing

5.1 The Committee considered the appropriateness of the preferred candidate for nomination to His Majesty for appointment as Auditor General for Wales, and agreed to

consult with bodies which represent the interests of local government in Wales, in accordance with section 2(3) of the Public Audit (Wales) Act 2013.

6 The Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2026

6.1 The Committee considered the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2026 and agreed not to report.

7 The Land Transaction Tax (Modification of Relief for Acquisitions Involving Multiple Dwellings) (Wales) Regulations 2026

7.1 The Committee considered the Land Transaction Tax (Modification of Relief for Acquisitions Involving Multiple Dwellings) (Wales) Regulations 2026 and agreed not to report.

Concise Minutes – Finance Committee

Meeting Venue: **Hybrid – Committee room 5 Tŷ Hywel and video conference via Zoom**

This meeting can be viewed on [Senedd TV](#) at: <http://senedd.tv/en/15919>

Meeting date: Wednesday, 11 February 2026

Meeting time: 09.30 – 11.03

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Mike Hedges MS Rhianon Passmore MS Sam Rowlands MS
Witnesses:	Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language, Welsh Government Andrew Jeffreys, Director Treasury, Welsh Government
Committee Staff:	Owain Roberts (Clerk) Sian Giddins (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Alice Stenton (Deputy Clerk) Ben Harris (Legal Adviser) Martin Jennings (Researcher)



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.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Letter from the Cabinet Secretary for Housing and Local Government: Homelessness and Social Housing Allocation (Wales) Bill – Revised Explanatory Memorandum and Regulatory Impact Assessment – 27 January 2026
- 2.2 PTN 2 – Letter from the Cabinet Secretary for Finance and Welsh Language to the Economy, Trade and Rural Affairs (ETRA) Committee: Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill – 27 January 2026
- 2.3 PTN 3 – Building Safety (Wales) Bill: Further information from the Cabinet Secretary for Housing and Local Government to the Finance Committee's report recommendations – 28 January 2026
- 2.4 PTN 4 – Building Safety (Wales) Bill: Further information from the Cabinet Secretary for Housing and Local Government to the Local Government and Housing Committee's report recommendations – 28 January 2026
- 2.5 PTN 5 – Building Safety (Wales) Bill: Further information from the Cabinet Secretary for Housing and Local Government to the Legislation, Justice and Constitution Committee's report recommendations – 28 January 2026
- 2.6 PTN 6 – Joint letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, and the Counsel General and Minister for Delivery to the Legislation, Justice and Constitution Committee: Welsh Government Draft Budget 2026–27 – 28 January 2026
- 2.7 PTN 7 – Letter from the Counsel General and Minister for Delivery to the Member Accountability Bill Committee: Financial resolution for the Senedd Cymru (Member Accountability and Elections) Bill – 2 February 2026
- 2.8 PTN 8 – Letter from Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs: Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill – Revised Explanatory Memorandum – 3 February 2026

2.9 PTN 9 – Annual scrutiny of the Wales Audit Office and the Auditor General for Wales: Response from Audit Wales to the Committee's report – 3 February 2026

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.

3 Finance Committee Legacy work – Sixth Senedd: Evidence session

3.1 The Committee took evidence on the Finance Committee's Legacy work from Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language, Welsh Government; and Andrew Jeffreys, Director Treasury, Welsh Government.

5 Finance Committee Legacy work – Sixth Senedd: Consideration of evidence

5.1 The Committee considered the evidence received.

6 Nomination of the Auditor General for Wales: Consideration of draft report

6.1 The Committee considered its draft report and agreed it with no changes.

7 Interparliamentary Finance Committee Forum: Consideration of the Forum's draft legacy report

7.1 The Committee considered the draft report of the Interparliamentary Finance Committee Forum and agreed it with no changes.

8 Nomination of the Auditor General for Wales: Consideration of the Memorandum for the Accounting Officer of the Wales Audit Office

8.1 The Committee considered the Memorandum for the Accounting Officer of the Wales Audit Office and agreed it with no changes.

9 Draft Public Audit (Amendment) (Wales) Bill: Update

9.1 The Committee considered the paper on the Draft Public Audit (Amendment) (Wales) Bill and agreed to signpost the draft Bill and developments during this Senedd to the successor Committee in the legacy report.

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

Agenda Item 2.1

Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair, Finance Committee

17 February 2026

Dear Peredur,

Thank you for your letter of 23 January and for the committee's continued scrutiny of the Legislative Consent Memorandum for the Finance (No. 2) Bill. I have set out further information in response to the specific points you raised.

I welcome the Committee's recognition that, while revenues from Welsh property income are likely to be modest, the power to vary the tax rate represents an important strengthening of the Welsh fiscal framework and an appropriate reflection of devolved responsibilities.

In 2023-24, property income accounted for around 1.6% of total non-savings non-dividend income in Wales (around £800 million). If property income accounted for the same share of Welsh Rates of Income Tax (WRIT) revenues, it would have contributed around £50 million of WRIT in that year. However, as property income will be taken after the rest of non-savings non-dividend income when accounting for allowances and thresholds, its share of tax is likely to be somewhat higher.

More timely estimates will be available when the Office for Budget Responsibility publishes its next Economic and Fiscal Outlook on 3 March 2026. This will include separate forecasts for WRIT revenues from property income and the rest of non-savings non-dividend income. This will contribute to the strengthening of the analytical base underpinning decisions on rate-setting.

I expect future iterations of the WRIT Ready Reckoner will also incorporate separate modelling for revenues from property income once the power is devolved. This will allow clearer estimates of revenue impacts from any future Welsh rate changes.

I recognise the Committee's interest in whether higher income tax rates could incentivise incorporation. While incorporation is one potential behavioural response to changes in income tax rates on property income, the decision is significantly more complex than shifting existing properties into a corporate structure.

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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.

Transferring existing property portfolios into a company can trigger Land Transaction Tax (or equivalent taxes elsewhere) and capital gains liabilities, often making incorporation prohibitively costly. For this reason, behavioural effects are more likely to relate to how future properties are acquired rather than wholesale restructuring of existing holdings, although it must be recognised that everyone's decisions will be highly fact specific.

It is also worth noting that, as with the rest of non-savings non-dividend income tax, Welsh taxpayers will face the same overall tax rate on property income as taxpayers in England and Northern Ireland, if the Welsh rate is set at 10 pence in the pound.

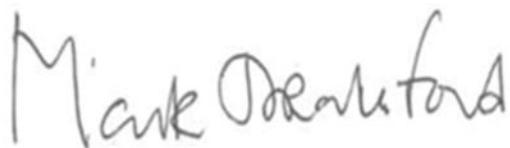
The Government of Wales Act 2006 (GoWA06), in section 116D, provides the legislative framework for setting Welsh property income tax rates by the Senedd. GoWA06 recognises that a Welsh rate resolution may set one or more of the rates and therefore it would be possible, were it preferable, for the Welsh property rates to be set by a separate resolution.

Any required changes to Standing Orders will therefore need to be considered by the Senedd's Business Committee in due course. Welsh Government officials will support this work, including consideration of whether a single or separate resolution(s) are appropriate.

The Committee also discussed the powers available to the Welsh Government to introduce high value council tax bands, drawing upon recent announcements in England. The Welsh Government retains full and flexible powers to add higher value bands to the existing council tax system in Wales. The powers are provided by [section 5](#) of the Local Government Finance Act 1992. Indeed, for the next council tax revaluation in 2028 which was secured by the passing of the Local Government Finance (Wales) Act 2024, the possibilities include creating more high value bands based on revalued and up-to-date data. The valuation exercise is underway, and it will be for the next government to confirm its preferred design. Wales already has an additional high value band (band I) compared with other nations.

The Committee may be interested to note that the Scottish Government also recently announced a proposal to add two new high value bands to its existing council tax system in 2028. This demonstrates the flexibility that is available to devolved governments to design local tax structures accordingly.

Yours sincerely,

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

Mark Drakeford AS/MS

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



Date: 17 February 2026

Mr Peredur Owen Griffiths MS
Chair of the Finance Committee
Welsh Parliament

By email only
SeneddFinance@senedd.wales

Dear Peredur

Consultation on our draft Strategic Plan for 2026-2029

We are pleased to share that we have launched a public consultation on our draft **Strategic Plan for 2026-2029**. This marks an important next step as we prepare for the coming three years and reflect on how our service must continue to evolve.

Over recent months, we have been reviewing the key pressures, opportunities and challenges affecting our organisation and those who rely on public services across Wales. The draft Plan now published has been shaped by internal discussion and assessment of these factors, and we are ready to broaden the conversation further.

Our proposed Plan sets out four Strategic Aims centred on delivering justice with positive impact, supporting systemic improvement, strengthening access for those who need our service most, and ensuring we remain a resilient, agile and accountable organisation.

While strengthening and evidencing impact is one important thread running throughout the Plan, it sits alongside priorities such as accessibility, fairness, improved service quality and the effective use of data and digital tools.

I would like to warmly invite you to respond to our consultation. Your views will help us refine our priorities, strengthen our objectives and ensure our focus reflects what matters most to people who use and deliver public services.

The consultation is open until **31 March 2026**. Full details - including the consultation document and ways to respond - are available at [Consultation on our draft Strategic Plan 2026-2029](#).

If you have any questions, please contact communications@ombudsman.wales

Thank you in advance for your time and contribution. Your insight will play a valuable role in shaping our direction for the next three years.

We invite you to share this letter internally as you consider appropriate.

Yours sincerely

Michelle Morris

Public Services Ombudsman for Wales



**Ombwdsmon
Ombudsman**
Cymru · Wales

Ask for: Michelle Morris



01656 641150



Date: 18 February 2026



Chair of Finance Committee

Dear Peredur

Response to Finance Committee's 'Annual Scrutiny of the Public Services Ombudsman for Wales' - November 2025

I refer to the Committee's recent report on its '**Annual Scrutiny of the Public Services Ombudsman for Wales.**' I welcome the Committee's report and its recommendations, and I write to respond to the report and to each recommendation. All the recommendations are accepted.

Recommendation 1. The Committee recommends the Ombudsman provides information on plans she has to alleviate workload pressures and to outline the support that is available to staff and for this to inform future resource planning.

Response: Agreed - although we are experiencing significant caseload pressures, we have alleviated workload pressures on individual staff members by setting a maximum number of cases which any individual caseworker handles at any one time whilst also taking into account the complexity of cases. This ensures that workloads across the casework teams are maintained at a reasonable level. Cases which are queued pending allocation to an individual caseworker are being managed by dedicated staff, which has ensured that cases are being progressed even when they are held in queues. These measures will inform future resource planning.

Recommendation 2. The Committee recommends that the Ombudsman prioritises the monitoring of staff wellbeing in light of increased workloads and recent staff movements.

Response: Agreed – staff wellbeing continues to be a priority, we have a range of methods in place to safeguard wellbeing; regular 1:1 meetings with staff, informal discussions, stress risk assessments, wellbeing events both online and in person

Page 1 of 4

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We are happy to accept and respond
to correspondence in Welsh.

organised by our dedicated Wellbeing Working Group and also the availability of flexible working and deployment of resource to alleviate pressures raised by staff at any particular time. Communication is key, we encourage our staff to talk to us when they feel they need support and we are responsive in taking action. We also use Wellbeing Passports for any adjustments to be formalised, even when short term. We have a Leadership Charter in place which describes the supportive leadership behaviours that build a culture where wellbeing is safeguarded. All of these measures ensure we keep abreast of staff wellbeing and address any issues as they emerge. We are both proactive and responsive as an employer. We use our annual staff survey to 'check in' and to ensure that we know how staff are feeling and whether there are any further actions we need to take as an employer to support well-being.

Recommendation 3. The Committee recommends that the impact of the revised senior leadership structure be evaluated over time, with findings published in an Annual Report to ensure that the new arrangements deliver operational efficiency and strategic oversight.

Response: Agreed, during the first 2 quarters of 2026, we will be undertaking a review of our structure, to include all senior leadership arrangements. As we discussed with the Committee, this "reset" is intended to strengthen our resilience to deal with increasing cases and to ensure the right level of efficiency and strategic oversight to deal with organisational change, risk management and the delivery of core business.

Recommendation 4. The Committee recommends that the Ombudsman undertakes an anonymised profiling exercise to identify trends in language preference of complainants and publishes the responses in the next Annual Report with the findings to inform future service improvements.

Response: Agreed, as discussed with the Committee we intend to undertake an exercise to inform future service improvements and encourage a better uptake of our services through the medium of Welsh and from those whose first language is not English.

Recommendation 5. The Committee recommends that the Ombudsman improves the efficiency of processes for developing plans to undertake a greater number of own initiative investigations.

Response: Agreed, work is already underway to develop a plan for how PSOW will use Own Initiative Powers in 2026/27. This will take into account the lessons learnt from previous investigations and from the Committee's recent Review of the Act. Our aim is to increase the use of this power, to streamline the consultation process and to ensure the right level of engagement with public bodies and the third sector to inform the effective and impactful use of the powers.

Recommendation 6. The Committee recommends that the Ombudsman continues to quantify and publish data in the Annual Report on the costs of powers associated with the Public Services Ombudsman (Wales) Act 2019 to aid future scrutiny.

Response: Agreed – we will continue to continue to publish information on the costs of powers associated with the Public Services Ombudsman (Wales) Act 2019 in future Annual Reports.

Recommendation 7. The Committee recommends that the Ombudsman informs the Committee of any proposed or confirmed changes to the April 2026 pay award and confirms whether it intends to submit a supplementary budget to cover any related increases in costs that cannot be absorbed within its current budget.

Response: Agreed – we will keep the Committee informed on the settlement of the April 2026 pay award as the year progresses. However, as the Committee will be aware, if the actual pay award is higher than we have provided for, we will have a funding shortfall that we may need to fund through the Supplementary Budget process.

Recommendation 8. The Committee recommends the Ombudsman provides an update on how many staff it recruits as a result of these savings and outlines their impact within a future Annual Report.

Response: Agreed – the work to plan the ‘reset’ of the organisation is already underway and decisions will be made on how savings will be invested in new posts to support our increase in cases and our ambitions as set out in the new Strategic Plan 2026-2029.

Recommendation 9. The Committee recommends that the Ombudsman provides further information on how the queuing process for public services complaints in greater detail and the impact that changes in the staffing structure will have on this process.

Response: Agreed – cases are being queued at key stages in our process:

- **new complaints on receipt**, pending allocation to an individual caseworker in either our Intake or Assessment Team, and
- **at ‘investigation start’ stage**, pending allocation to an individual caseworker in our Investigation Team.

New complaints on receipt – cases are held in our ‘new complaints’ queue when they are received, with 2 dedicated members of staff managing work on these cases to ensure they are progressed even when they are held in the queue, for example, by asking for any information needed to assess the complaint from the complainant and/or the public body, providing advice and guidance to colleagues on casefiles so that cases are dealt with as efficiently as possible when they are allocated to a caseworker and allocating cases which appear to be suitable for detailed investigation direct to the Investigation Team. When individual caseworkers have capacity (subject to the maximum caseloads level set), they

are allocated a fresh case. Despite a 12% increase in cases as at the end of December, the number of cases held in this queue has reduced since the Committee's meeting in October, as a result of the measures we have put in place.

At 'Investigation start' stage – cases which are allocated direct to the Investigation team queue are then assessed in detail by a dedicated member of staff to decide whether they are either suitable for resolution or detailed investigation. Depending on the outcome of this assessment, either a resolution will be agreed with the public body or the 'Heads of Complaint' which are suitable for investigation are drafted and discussed with the complainant. Letters confirming that an investigation has commenced are then issued to the complainant and to the public body, with a request that the public body provides relevant information and its response to the complaint within 4 weeks. This ensures that cases held in our 'investigation queue' are progressed before being allocated to an individual caseworker. Cases are allocated to an individual caseworker by the time the public body has responded to our request for information. Cases in this queue are also reducing as a result of the measures we have put in place.

I will also take this opportunity to respond to a recommendation made by the Committee in its '**Scrutiny of the First Supplementary Budget 2025-26**' report published in July 2025.

Recommendation 8. The Committee recommends that the Public Services Ombudsman for Wales:

- provide a breakdown of how the additional funding provided through the First Supplementary Budget 2025-26 covers costs relating to the increase in employer National Insurance Contributions within their organisations, including whether this covers staff employed by third parties as well as permanent staff costs, once details of the UK Government's main supply estimates are known;
- confirm that any surplus funding allocated for this purpose is returned to the Welsh Consolidated Fund.

Response: I can confirm that the full amount of additional funding provided to meet increased costs in employer National Insurance contributions has been used for this purpose. We do not employ staff through third parties, so no funding has been used here. There has been a small in-year surplus from the additional funding (< £5,000) that we have not needed, as a result of staff turnover, and I can confirm that this will be returned to the Welsh Consolidated Fund as part of our year-end underspend.

Yours sincerely

Michelle Morris

Ombwdsmon Gwasanaethau Cyhoeddus | Public Services Ombudsman

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