

Bruce Crawford MSP  
Convener, Finance and Constitution Committee

10 March 2021

Dear Bruce

### Timing of the UK Government and impact on devolved administrations' budgets



Thank you for sending the Finance Committee [a copy of your letter to the Chief Secretary to the Treasury](#) in relation to the timing of the UK Government's Budget and the impact this has on devolved administrations.

Whilst the Senedd's Finance Committee and the Welsh Government have an agreement that the Welsh Budget will be published prior to the UK Budget, we do consider the past few years to have been exceptional. We have recently published our [report on the Welsh Government's Draft Budget 2021-22](#) where we highlight our concerns over the timing of UK fiscal events. We have made repeated recommendations that the Welsh Government continues to press the UK Government for clear, systematic changes to the funding process in relation to the structure of UK fiscal events. We have also written to the UK Government to express our concerns with the timing of Budget announcements.



The Committee has recently [reported on our inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework](#). The Committee firmly believes that evidence to the inquiry, alongside the real life issues experienced with the funding arrangements throughout the COVID-19 pandemic has shown that the funding mechanisms need to be urgently reviewed by the Welsh Government and the UK Government. The COVID-19 pandemic provided a prompt to consider the suitability of elements of the fiscal system, such as the Barnett formula - which has long been subject to calls for reform. The financial response to the pandemic has resulted in a significant amount of money being spent at UK level which has raised further issues on how the fiscal framework operates in Wales.



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We have extended several invitations to the Chief Secretary to engage with us on fiscal matters but there is an unwillingness from him to attend a meeting with the Finance Committee. We have made the point to the Chief Secretary that his unwillingness to participate in scrutiny of powers, which fall within the remit of both the UK Government and the Welsh Government, sets a precedent which has constitutional implications and shows a disregard for the Senedd. Therefore, we are in absolute agreement with you that devolved administrations should work together, along with relevant Westminster Committees, to impress on HM Treasury the benefits of better alignment between the devolved budget processes and UK fiscal events and we intend to make a recommendation to this effect in our legacy report, in order that our successor Committee can take this forward

I am copying this letter to the Chairs of our counterpart committees in the House of Commons, and the Northern Ireland Assembly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Llyr', is centered on a light-colored rectangular background.

Llyr Gruffydd MS / AS

Cadeirydd / Chair

