



Huw Irranca-Davies MS  
Chair, Legislation, Justice and Constitution Committee  
Senedd Cymru  
Cardiff Bay  
CF99 1NA

1 July 2022

Dear Huw,

Further to my recent letter advising you of the Finance: Interministerial Standing Committee (F:ISC) Meeting, which I chaired on 15 June in Cardiff, I would like to briefly report on the discussions. A communique was also published following the meeting: [Finance: Interministerial Standing Committee – 15 June 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/finance-interministerial-standing-committee-15-june-2022).

In attendance were Simon Clarke MP, Chief Secretary to the Treasury, Conor Murphy MLA, Minister of Finance (Northern Ireland), Kate Forbes MSP, Cabinet Secretary for Finance and the Economy (Scotland), and myself.

The meeting focused on the Cost-of-Living Crisis where I emphasised to the Chief Secretary to the Treasury (CST) the impact of inflation on core budgets, highlighting that the Welsh Government budget is now worth over £600m less than when it was announced last autumn. The CST agreed that officials should work together to discuss how the UK Government can best provide support to businesses through the current crisis. I also raised the issue of public sector pay linked to the inflationary pressures and the resulting need for additional funding from the UK Government. Ministers agreed to keep each other informed of developments on public sector pay deals.

As part of a discussion on budgeting and communications, an agreement between Ministers was secured for UK and Devolved Government officials to work up a joint proposal on improvements to year-end finance processes. This is expected to be shared with Ministers over the summer for agreement at the next F:ISC meeting.

Under the Devolved Governments Update, I provided an overview on the work of the Independent Commission on the Constitutional Future of Wales. The CST agreed to provide any data and information that the Commission needed.

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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.

Under Any Other Business, Ministers agreed to include a substantive item on the next F:ISC agenda on EU Replacement Funding. I also took the opportunity to raise concerns on COVID recovery, specifically in relation to NHS pressures, with additional funding needed from the UK Government. The CST was clear that there would be no additional funding for the Devolved Governments and that these pressures, along with those arising from the lower value of our budget as a result of inflation, would need to be absorbed within existing budgets and managed by re-prioritisation and de-scoping.

The Scottish Government will host and Chair the next meeting in September.

Yours sincerely,

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

**Rebecca Evans AS/MS**

Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government