

CYPE(6)-21-23 - Paper to note 7

Y Pwyllgor Cyllid

Finance Committee

Rebecca Evans MS,
Minister for Finance and Local Government

7 July 2023

Draft Budget Timetable 2024-25

Dear Rebecca,

The Committee noted your proposed timetable for the 2024-25 budget at its meeting on 6 July 2023.

We consider this approach to be highly disappointing: As a Committee we have regularly called for sufficient time to be provided for the scrutiny of the Welsh Government's budgetary proposals, and for that to be in line with the Budget Process Protocol ('the Protocol'), which was agreed on a cross-party basis in 2017.

We have written to you on a number of occasions about the practical difficulties that shortened timescales pose to Committees in fulfilling their scrutiny functions, as well as the pressures it puts on stakeholders who wish to submit evidence and engage with our work, particularly when three weeks of that period falls over Christmas recess.

Most recently, I wrote to you on 23 June 2023 noting the concerns expressed by the vast majority of Committee Chairs regarding the timeliness of the budget process and the lack of time available for proper scrutiny. We are therefore extremely disheartened that these views were not reflected when this timetable was proposed. Furthermore, although we very briefly touched upon the budget timetable towards the end of our meeting on 20 June, we did not discuss specific dates, as indicated in your letter, and there was no opportunity for me to raise concerns given the lack of information shared at that point regarding your proposals.

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddCyllid@senedd.cymru
senedd.cymru/SeneddCyllid
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddFinance@senedd.wales
senedd.wales/SeneddFinance
0300 200 6565

Insufficient reasons for delay

Paragraph 11 of the Protocol states that a "budget/financial year will not be "normal" when there is significant uncertainty in respect of the Welsh Government's future financial position". It adds that:

"Although this list is not exhaustive, examples would include when there are no future budget figures provided by the UK Government; there is a UK fiscal event such as a Comprehensive Spending Review or Emergency Budget; or a significant change in the overall fiscal outlook such as an economic shock or changes affecting UK tax policy."

We have, in each of the past four years, accepted the arguments that there were significant levels of funding uncertainty to delay the laying of the draft budget. Whilst we acknowledge that the Chancellor of the Exchequer has not yet published the date of the fiscal event in the autumn, we do not consider this to be a compelling reason in itself to delay the publication of the Welsh Government's budgetary proposals and do not agree that this is the only prudent choice available to you.

As you point out, indicative budget allocations are already available to the Welsh Government, and whilst we accept that inflationary pressures remain high, they are sadly unsurprising and do not, in our view, amount to "significant uncertainty" in your funding position which necessitates a diversion from the 'normal' process outlined in the budget protocol.

We neither accept that the delay is wholly as a result of matters that are outside your control. As Minister responsible for the budget, you have significant discretion to decide when the Welsh Government's spending plans are published which, in turn, dictates how much time Senedd Committees have to conduct the scrutiny required.

As you are aware, this is the fifth year in a row that the two stage process set out in the Protocol has not been followed and the request to delay the budget process again this year, suggests that there are few circumstances that could be considered a "normal" year.

The protocol was intended to allow the Finance Committee to take an oversight role by allowing more time for policy committees to undertake scrutiny and enable them to take more evidence from stakeholders.

Your willingness to avoid following this process again calls into question your commitment to these agreed practices, given that the timing of budget scrutiny in recent years has not made this possible.

Lack of consultation

We also note that you consulted the Committee on your decision to delay the publication of the Draft Budget 2023-24 last year. It is therefore regrettable that a similar approach was not adopted again.

In years when the Welsh Government considers delaying the publication of the Draft Budget and circumvents the two stage process outlined in the Protocol, the Committee expects mature discourse and meaningful consultation on such issues and not doing so casts doubt over commitments you have made previously to working constructively and in partnership to improve our budget processes.

Next steps

I welcome your willingness to revisit the publication dates of the Draft Budget if the Chancellor's announcement regarding the dates of an autumn fiscal event was sufficiently early to allow additional time for its preparation and scrutiny.

We will keep a close eye on these developments and hope that further clarity on the timing of these issues will lead to more time for scrutiny of your budget proposals as soon as possible in the autumn term.

I am copying this letter to the Trefnydd and the Chairs of Senedd Committees, given its impact on their work programmes and in light of the concerns and comments previously expressed on these issues.

Yours sincerely,



Peredur Owen Griffiths MS, Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu'n Saesneg.

We welcome correspondence in Welsh or English.

