

Y Pwyllgor Cyllid

Finance Committee

Welsh Parliament

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Chair, Children, Young People, and Education Committee

Chair, Climate Change, Environment, and Infrastructure Committee

Chair, Culture, Communications, Welsh Language, Sport, and International Relations Committee

Chair, Economy, Trade, and Rural Affairs Committee

Chair, Equality and Social Justice Committee

Chair, Health and Social Care Committee

Chair, Legislation, Justice and Constitution Committee

Chair, Local Government and Housing Committee

14 November 2023

Dear Committee Chairs,

Draft Budget 2024-25

I wrote to you in April, setting out the Finance Committee's pre-budget engagement work. On the 12 July, the Committee held its annual Plenary debate on the Welsh Government's Spending Priorities for the forthcoming Budget, and I am grateful to all that contributed. I am now writing to provide a further update on scrutiny of the Draft Budget 2024-25.

Consultation and timetable

The Finance Committee has issued its pre-budget consultation, on behalf of all Committees, which closes on 30 November. The responses to the consultation will be available on our webpage.

Due to the UK Government's Autumn Statement that will take place on 22 November, the Minister for Finance and Local Government (the Minister) has confirmed that she will publish the outline and detailed Draft Budget together on 19 December. The Minister will appear before the Finance Committee the following day on 20 December for an initial evidence session.

Budget focus

The focus of this year's budget is likely to centre on the impact of the cost of living crisis, inflation and



the transparency of the Welsh Government's financial decisions. In addition, the Finance Committee has identified a number of areas which it would like to see the focus of scrutiny, namely:

- what impact inflationary pressures have had on revenue and capital budgets and how this has changed affordability of previous plans;
- how resources should be targeted to support economic recovery and what sectors in particular need to be prioritised;
- to what extent alleviating climate change should be prioritised in supporting economic recovery;
- how budget allocations support aspirations of the Net Zero Wales plan;
- Welsh Government policies to reduce poverty and the impact of cost of living crisis and gender inequality;
- the approach to preventative spending and how this is represented in resource allocations (preventative spending is defined as spending which focuses on preventing problems and eases future demand on services by intervening early);
- sustainability of public services, innovation and service transformation;
- how evidence is driving Welsh Government priority setting and budget allocations;
- how the Welsh Government should use taxation powers and borrowing;
- support for businesses, economic growth and agriculture post-EU transition;

In addition, the following areas were identified as priorities during the Committee's stakeholder and engagement events during the summer term:

- the need for services to collaborate to meet the challenges facing the NHS and social care sector;
- that local government needs sufficient resources to deal with mounting demands;
- that more support should be provided for those studying and working in the education sector;
- that a focus on community-led solutions and prevention is needed to tackle the root causes of poverty and inequality;
- that there needs to be a move away from ad-hoc funding for the voluntary sector;

- that there should be a focus on turning Wales's potential for green energy into reality.

We hope our engagement work, and forthcoming public consultation, will complement and inform the work of policy Committees and I would encourage you to use some of the areas outlined above as the focus for your budget scrutiny.

If you have any questions about any aspect of the Draft Budget process, please feel free to contact me or the Clerk to the Finance Committee, Owain Roberts, 0300 200 6388, seneddfinance@senedd.wales.

Yours sincerely,



Peredur Owen Griffiths
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.