



Ein cyf/Our ref

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9 August 2023

Proposing changes to the Budget Business Protocol

Thank you for copying me into your letter to the chair of the Finance Committee, dated 2 August, which addresses the budget timetable and invites the Finance Committee to consider whether it now wishes review the continued suitability of the budget protocol and related procedures following the experience of recent years.

I have been discussing the need for changes to the Protocol with the chair of the Finance Committee for some time. The Finance Committee proposed several changes, which I have been pleased to agree, and I have proposed further changes I believe may ameliorate the difficulties arising in years when the UK government only confirms our budget settlement late in the autumn term.

I have attached a copy of my letter to the Finance Committee chair, dated 20th July, which both responds to the issues raised by the Finance Committee and includes my own suggestions.

I will not repeat the issues set out in that letter here, but I feel I should address the description of the Welsh Government's approach to devising our budget timetables.

It is not the case, as suggested in your letter, that the Welsh Government has sought to 'deviate' from the Protocol. The Protocol acknowledges there would be circumstances when the 'ideal' amount of scrutiny time will not be possible (Para 7). Further than that, Paragraph 8 recognises that, "The Finance Committee and Welsh Government recognise that in some years, due to circumstances beyond the Welsh Government's control, it may not be possible to allow eight weeks, and flexibility may be required, but there will never be less than five weeks for scrutiny of the outline and detailed budget proposals". Since the move to UK

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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.

fiscal events late in the autumn term, Welsh Ministers have always sought to provide the maximum available time for scrutiny.

The Protocol also makes provision for years when we do not know our budget settlement until the autumn term. Paragraph 11 provides that ‘a budget/financial year will not be “normal” when there is significant uncertainty in respect of the Welsh Government’s future financial position.’ This has clearly applied since the move to UK government fiscal events in the autumn term. As a result, Ministers are not diverting from the Protocol but using its sensible provisions to respond to the circumstances in which we find ourselves.

I must also address the Finance Committee’s doubts regarding the Welsh Government’s on-going commitment to the Protocol. This suggestion fails to reflect Welsh Ministers’ extraordinary efforts in publishing the Draft Budget less than 4 weeks after learning details of our settlement, which was never originally intended to become the norm. Nor does it acknowledge my willingness to discuss the Protocol with the Finance Committee chair to find a workable solution for both sides – a commitment I have said I am happy to pursue ahead of the next Budget period and which aligns to the next spending review period.

Welsh Ministers are committed to seeking agreement on changes to the Protocol that will ensure a proportionate balance between the time available for the preparation and presentation of the Welsh Government’s spending plans and the scrutiny of them.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Rebecca'.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government