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



Llywodraeth Cymru  
Welsh Government

Peredur Owen Griffiths MS  
Chair, Finance Committee  
Senedd Cymru  
Cardiff Bay  
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7 February 2024

Dear Peredur,

Further to my recent letter advising you of the Finance: Interministerial Standing Committee Meeting (F:ISC) on 25 January in Edinburgh, I would like to briefly report on the discussions. A communique was also published following the meeting: [Finance: Interministerial Standing Committee – 25 January 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/finance-interministerial-standing-committee-25-january-2024)

Joining me in attendance were Rt Hon Laura Trott MBE MP, Chief Secretary to the Treasury, and Shona Robison MSP, Deputy First Minister of Scotland and Cabinet Secretary for Finance. Officials from the Northern Ireland Executive also attended virtually, to observe.

During our discussions on the current economic and fiscal context, I raised the significant public spending pressures, in particular those reported by the NHS and Local Authorities.

As with prior meetings of the F:ISC, I reiterated the case for additional budget flexibility, including an agreed process for capital to revenue switches to offer more certainty in the future. I also highlighted some of the financial recommendations from the Independent Commission on the Constitutional Future for Wales final report, which argued that the flexibilities that we are seeking from HM Treasury are reasonable. We discussed the reported funding support package for Northern Ireland, and I emphasised the point that support is needed throughout the UK for all the public spending pressures that we are facing.

The Deputy First Minister and I provided an update on devolved government budgets. I highlighted the challenges we have faced this year in terms of the uncertainty of our budget settlement, and the difficult decisions we have taken to reprioritise funding. I emphasised the need for early indication of any changes to our budget to support planning, including urgent clarity of whether Agenda for Change NHS funding will be baselined into future years.

During a discussion on the UK Spring Budget, I raised the challenges that the timing of the UK Spring Budget presents, given it falls the day after the Senedd votes on the Welsh Government's spending plans for 2024-25. I made the case for any extra resources available to the Chancellor to be used to provide the critical investment required for public services

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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.

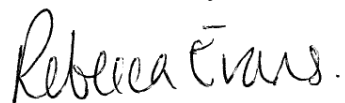
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

including public sector pay and pensions, as well as further cost-of-living support and additional investment to improve productivity and growth.

We concluded the meeting by exchanging information and ideas on measures to tackle poverty. I provided an overview of the action taken by the Welsh Government, and I highlighted the Joseph Rowntree Foundation and Trussell Trust's calls for the UK Government to fundamentally reform how benefit rates are determined and implement an Essentials Guarantee to ensure people are able to meet their basic costs.

The next meeting will take place in the Spring.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a large initial 'R'.

**Rebecca Evans AS/MS**

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