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Dear Peredur

## Changes to the Budget Process Protocol

Thank you for your letter of 23 February 2024.

As you say that there is no need to re-state the views that we have already conveyed in our response to the review of the Statement of Principles, we will not repeat the contents of our letter to you of 20 December 2023. For the avoidance of doubt, however, the views expressed in that letter remain our views.

In terms of the proposed changes to the Protocol, we only have a few comments, which are chiefly matters of clarity:

1. Paragraph 17 of the Protocol says—

*“With this in mind, the Finance Committee would anticipate seeing at the time the outline budget is published...a demonstration of how the programme for Government and Well-being of Future Generations (Wales) Act 2015 have influenced the budget allocations.”*

As the duty to set well-being objectives is the main mechanism within the 2015 Act for putting principles into practice, and as the Programme for Government is itself not a statutory requirement *per se*, we think it would be helpful to revise this paragraph so as to refer to an explanation of how the Welsh Government’s well-being objectives have influenced the budget allocations.

2. Similarly, we think that a reference to the Welsh Government's well-being objectives would be useful in paragraph 21.
3. At paragraph 33, it might be helpful for clarity to revise the last sentence to specifically refer to the Welsh Government providing a reconciliation to changes at the BEL level.
4. While the changes to paragraph 40 seem helpful, particularly the replacement of "undertakes therefore to continue" with "will" in the penultimate sentence, the cross reference in the previous sentence would seem to be more appropriate if given as paragraph 34 rather than paragraph 26. Similarly, "direct funded" in the penultimate sentence would seem to be better as "directly funded".

We hope that is helpful. We should be happy to discuss.

Yours sincerely



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