

Peredur Owen Griffiths MS

Chair of Finance Committee

By email

30 April 2024

Dear Peredur

Changes to the Budget Process Protocol: Consultation with Directly Funded Bodies

Thank you for your letter of the 23 February 2024 and the opportunity to comment on the existing Welsh Government Budget Protocol. I also note the detail of the letter dated 11 December 2023 sent from the Committee to the Minister for Finance and Local Government.

We are pleased to note that issues raised by the Senedd Commission have been considered.



The Senedd Commission continues to have two key issues with regards to the Protocol, with particular reference to the Supplementary Budget request process. These are:

- The timing of the requests - these are set to the financial needs of the Government's budgetary process without full consideration of the financial requirements of the Directly Funded Bodies which, given their size, can be time critical. Without some flexibility as to when such requests can be taken forward, the Directly Funded Bodies continue to be at risk of having to reduce service delivery in order to meet unforeseen in-year costs.
- The Commission would like to see more clarity of the processes for the laying of Directly Funded Bodies' supplementary budget requests, the process of scrutiny by the Committee and their recommendation outcome of that scrutiny to be set out as part of the Welsh Government's process for laying of a Supplementary Budget Request. We would also recommend that such a process to also include annual communication of Supplementary Budget timetable to the Directly Funded Bodies early in the financial year to enable work to be timetabled.



We note that we previously wrote to the Committee on this matter and that you have requested that responses not revisit previously submitted response. We would therefore simply reiterate that it may be helpful to amend the Standing Orders to formalise supplementary budgetary motion processes rather than the Budget Protocol itself. We continue to be of the view that this will provide a more robust process and maintain the independence of the DFBs.



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I hope these comments are helpful to the Committee as it deliberates on solutions to these issues.

Yours Sincerely

A handwritten signature in purple ink that reads "Flin Jones".

Llywydd

Cc Senedd Commission, Manon Antoniazzi, Kate Innes

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English

