

David Rees MS  
Chair, Llywydd's Committee

23 February 2024

Dear David,

## Supplementary Budget Procedures and the Budget Process Protocol: Consultation with Directly Funded Bodies

As you will be aware, the Committee recently consulted with all Directly Funded Bodies (DFBs) regarding the Committee's review of the Statement of Principles ('the Principles'). While considering the responses initially, DFBs did not support wholesale changes to Standing Orders in relation to the procedures for supplementary budgets. However recent experiences have called into question the suitability and sustainability of these procedures and whether they accurately reflect the constitutional status of the DFBs.

This relates to instances where requests for supplementary funding have been made by DFBs, despite clear indications from Welsh Government that they do not intend to bring forward a supplementary budget to release such funds. In particular, although it is established and accepted practice that the Welsh Government will include any variations requested by the DFBs in its supplementary budget motion, it is not an explicit Standing Order requirement. We are therefore seeking further views from DFBs on this specific issue, including whether changes need to be brought forward to remove any ambiguity in the current process.

Furthermore, in parallel to the review of the Principles, the Committee is also conducting a review of the Budget Process Protocol (the Protocol). We are in the process of discussing proposed changes with the Minister for Finance and Local Government to better reflect current practice in the Senedd. A summary of the proposed changes under consideration are outlined in correspondence to the Minister on 11 December 2023.

Given that the Protocol applies to the Directly Funded Bodies, we would welcome any additional views the Electoral Commission may have on the Protocol itself, and the impact they may have on DFBs, that would inform ongoing discussions between the Committee and the Minister on these issues.

We would therefore be grateful if you could engage with the Electoral Commission to seek further views on both the current procedures for supplementary budgets, and on the proposed changes to the Protocol. There is no need for the Commission to re-state the views that have already been expressed in its response to the review of the Statement of Principles, however I would welcome any further comment by the beginning of the Summer Term on Monday 15 April.

Yours sincerely,



Peredur Owen Griffiths MS, Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

