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Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

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Peredur Owen Griffiths MS,
Chair Finance Committee,
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Annwyl Peredur

As you are aware, the First Minister requested additional funding flexibilities for the Welsh Government from the UK Government earlier this year. I am writing to inform you that, following a meeting between the First Minister and the Chancellor, the Chief Secretary to the Treasury has agreed our proposal and will waive the drawdown limits for the Wales Reserve in 2025-26.

This flexibility has been provided for the financial year 2025-26 only and allows unrestricted access to funding in the Wales Reserve. As such, whilst it provides additional flexibility to manage pressures this year, it is not a source of recurrent funding for the Welsh Government. The amount available to draw from the Wales Reserve in 2025-26 will be confirmed once the Welsh Government outturn for 2024-25 is finalised.

We will continue to work with the UK Government to secure further fiscal flexibilities and I will keep you informed of the progress of these discussions.

I hope you find this update helpful.

Yours sincerely,

Mark Drakeford AS/MS
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Cabinet Secretary for Finance and Welsh Language

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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.