

Mark Drakeford MS,
Cabinet Secretary for Finance and Welsh Language

16 June 2025

Dear Mark,

Consultation with Senedd Committees on documentation supporting Draft Budget scrutiny

As you are aware, the Committee concluded in our report on the scrutiny of the Welsh Government Draft Budget 2025-26 that it would consult Senedd committees involved in budget scrutiny ahead of the Welsh Spending Review and the 2026-27 budget round to explore ways to maximise budgetary scrutiny in the Senedd.

This year, we wrote to all Senedd Committees on 1 April 2025 and received responses from the following Committees:

- Economy, Trade, and Rural Affairs Committee (ETRA)
- Local Government and Housing Committee (LGH)
- Culture, Communications, Welsh Language, Sport and International Relations Committee (CCWLSIR)
- Children and Young People and Education Committee (CYPE)
- Health and Social Care Committee (HSC)

These responses build on themes identified during similar consultation exercises held in 2023 and 2024 and are summarised under the following headings:

Timing

ETRA, CCWLSIR and LGH all expressed disappointment that the timing of the Draft Budget 2025-26 fell over the Christmas period and asked for this to be avoided in future budget rounds. LGH stated that:

"Over the past three years, the draft budget scrutiny process has felt rushed, with our report being laid the day before the Plenary debate. This raises questions in relation to the extent in which Senedd Members, the Welsh Government and stakeholders can meaningfully consider committee reports before the debate."

CCWLSIR added that the Welsh Government should be taking steps to ensure the earliest possible publication of its draft budget and supporting documentation to facilitate meaningful scrutiny.

This reflects our concerns about the time available to scrutinise the 2025-26 Draft Budget, encapsulated in our recommendation that the Cabinet Secretary works with the Committee to identify ways in which scrutiny opportunities can be enhanced, as well as continuing the approach of holding pre-budget evidence sessions early in the autumn term in years when the publication of the Draft Budget is delayed.

We welcome your response which stated that you are keen to ensure that we make the best use of the time available for the 2026-27 budget round, and we hope you can take the additional views expressed above into account when considering the forthcoming timetable.

Quality and usefulness of evidence

The quality of evidence produced by the Welsh Government in support of the Draft Budget has been a common concern amongst Senedd Committees to date.

ETRA was "broadly content" with the evidence received from the Welsh Government in relation to the Draft Budget 2025-26, particularly the breakdown of actions by BEL activity tables. CYPE also stated that they had "no concerns with the timeliness, quality or usefulness of the 2025-26 Draft Budget documentation".

However, committees did focus on ways in which transparency in the information provided by the Welsh Government could be enhanced.

ETRA stated that they would like to see further information provided on the engagement undertaken by the Welsh Government with stakeholders and the public prior to the Draft Budget's publication to allow the Committee to better understand the basis for the budgetary decisions taken.

LGH also stated that there is room for more clarity and transparency in the documentation provided, stating that:

"We would like to see more detail under each BEL, for example the homelessness prevention BEL needs to account for the Housing Support Grant separately, alongside the other element of the BEL.

LGH added that it would also be helpful if the Welsh Government could set out in written evidence how the provisional local government settlement considers the requirement for the sector to comply with certain statutory duties and/or Programme for Government priorities, such as the Welsh language; inequalities and the nature and climate emergency.

In its response, CCWLSIR identified several policy areas where the evidence provided was limited and was not sufficient to inform effective scrutiny. This included its work in scrutinising budgets relating to the Welsh Language, international relations and the financial performance of Cadw.

CYPE called for the Welsh Government to provide multi-year projections of both its revenue and capital budgets following the spending review in June 2025. Alongside this, they stated that the Welsh Government should clearly set out its funding priorities and the mechanisms by which it will use the funding at its disposal to achieve its policy objectives.

HSC also raised specific points relating to the information it would like to see published alongside the Draft Budget, and reiterated recommendations made in its report on the Draft Budget 2025-26 calling on the Welsh Government to:

- publish the Cabinet Secretary for Health and Social Service's Health Board Allocation letter along with the NHS Planning Framework, which guide health boards' Integrated Medium-Term Plans, either ahead of, or alongside, publication of the other Welsh Government draft budget documentation;
- provide an annual update about the work of the Value and Sustainability Board, the efficiencies that have been implemented, and the opportunities it has identified to support financial improvement; and
- provide a comprehensive breakdown of preventative spending across all NHS bodies in Wales, along with detailed evidence of how the budget allocated to prevention initiatives is being used.

We believe these suggestions are reasonable and believe that addressing the concerns above for 2026-27 will lead to increased transparency, more effective scrutiny and better outcomes.

I welcome your ongoing engagement on these issues and look forward to hearing more about the Welsh Government's approach to the 2026-27 budget during your statement on Plenary on 1 July. I also hope to explore these issues further as part of the Committee's annual budget priorities debate in Plenary prior to the summer recess, where I will provide a summary of the views expressed in our summer engagement events and citizen focus groups.

A copy of this letter has been sent to the Chairs of the Economy, Trade, and Rural Affairs Committee; the Local Government and Housing Committee; the Culture, Communications, Welsh Language, Sport and International Relations Committee; the Children and Young People and Education Committee; and the Health and Social Care Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peredur Griffiths', with a stylized, flowing script.

Peredur Owen Griffiths MS
Chair, Finance Committee

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

