

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

8 July 2025

Dear Peredur,

I can confirm that the Finance: Interministerial Standing Committee (F:ISC) meeting was held in London on 26 June. A communique has been published following the meeting: [Finance: Interministerial Standing Committee – 26 June 2025 - GOV.UK](#)

The Rt Hon Darren Jones MP, Chief Secretary to the Treasury (UK Government) chaired the meeting. I joined alongside Shona Robison MSP, Cabinet Secretary for Finance and Local Government (Scottish Government). John O'Dowd MLA, Minister of Finance (Northern Ireland Executive) joined virtually.

The focus was on collaboration following the UK Spending Review, published in June. The Industrial and Infrastructure strategies published by the UK Government in June provide an opportunity to bring further economic growth to Wales. We explored how we can continue to engage to ensure new projects align with Wales' priorities.

We agreed to continue engagement on spending decisions, including through the UK's new National Infrastructure and Service Transformation Authority (NISTA), which will be hardwired into spending decisions.

I raised the use of powers under the UK Internal Market Act (UKIMA) during the meeting. I explained that the use of UKIMA powers has the potential to overreach into spending in devolved areas, which is neither a practical nor sensible way of doing things. The Chief Secretary is aware of the concerns of all three devolved nations on this issue.

We also discussed fiscal flexibilities, which is a matter of shared interest between the devolved governments. I asked for the limits in our Fiscal Framework to be restored to the real value of the figures, as this is no longer an adequate tool.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Mark.Drakeford@gov.wales
Gohebiaeth.Mark.Drakeford@llyw.cymru

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.

We agreed that officials would put forward modelling scenarios, led by Scottish officials, to demonstrate options for changes to fiscal flexibilities for all three devolved nations before the next F:ISC. The next F:ISC provides an opportunity to discuss fiscal flexibilities further to put forward for the UK Autumn Budget.

I also had the opportunity to raise Wales specific issues, including the recent Written Statement on Border Control Posts¹ and concerns with the application of the Barnett formula – I will follow up my concerns in writing to the CST.

The next F:ISC meeting will be held in Edinburgh in the Autumn, ahead of the UK Autumn Budget.

Yours sincerely,

A handwritten signature in black ink, reading 'Mark Drakeford', written in a cursive style.

Mark Drakeford AS/MS

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

¹ [Written Statement: Border Controls on imports into Wales from Ireland \(24 June 2025\) | GOV.WALES](#)