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Chair of the Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff CF99 1SN

Professor David Miles and Tom Josephs
Members of the Budget Responsibility Committee
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London SW1H 9AJ
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16 January 2026

Dear Peredur,

Re: Finance Committee Report: Scrutiny of the Welsh Government Draft Budget 2026-27

Thank you for your letter of 7 January and for sharing the Finance Committee's report on the Welsh Government Draft Budget 2026-27. We are grateful for the opportunity to contribute to your scrutiny, including through the Committee's oral evidence sessions.

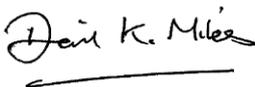
We welcome Recommendation 7 and agree on the importance of continuing to produce and develop outputs that help foster understanding of the impact of devolved taxation on the Welsh Government's budget.

In our next Welsh Taxes Outlook, to be published alongside the Welsh Final Budget, we have dedicated a new chapter to describing and analysing the latest projections for the net tax position across each of the Welsh devolved taxes. This includes analysis of the impact of the UK Government's freezes to income tax thresholds on the Welsh budget. We also intend to continue publishing analysis of changes in the Welsh net tax position as part of our devolved tax and spending forecasts, with our next publication due on 3 March. We will look for further opportunities to develop this analysis in our future publications.

We will continue to work closely with Welsh Government officials on devolved tax and forecast-related matters and would be happy to keep the Committee informed of any further significant improvements to our Welsh outputs.

In line with OBR policy, we will be publishing this reply together with your original letter on our website.

Yours Sincerely,



Professor David Miles



Tom Josephs

Members of the Budget Responsibility Committee