

# Interparliamentary Finance Committee Forum Legacy Report

## Purpose of the Interparliamentary Finance Committee Forum

1. The Interparliamentary Finance Committee Forum (the Forum) was established in June 2022 with the primary purpose of providing Finance Committees from the devolved Parliaments of Scotland, Wales and Northern Ireland a platform for consideration of common challenges. The Forum also provides the opportunity for information sharing, networking and hearing from UK and devolved Government Ministers.
2. The Forum was designed to provide—
  - a more effective mechanism for dialogue and cooperation between the Committees on issues of common interest and concern;
  - increased transparency over Intergovernmental Relations, including the Interministerial Standing Committee on Finance; as well as
  - an opportunity to consider any implications of the UK Government budget setting process and its spending decisions in devolved areas, post-Brexit.
3. This report provides an overview of the Forum’s work to date, key themes arising from discussions and recommendations for future iterations of the Forum, following elections in the Scottish Parliament and the Senedd Cymru/Welsh Parliament, due to take place in May 2026.

## Meetings of the Forum

4. The Forum met four times, as follows—
  - on 16 June 2022 at the Scottish Parliament,
  - on 24 March 2023 at the Senedd Cymru/Welsh Parliament,
  - on 21 March 2024 at Portcullis House, Westminster, and
  - on 19 March 2025 at the Northern Ireland Assembly.
5. The first three meetings were attended by Members from the Senedd Cymru/Welsh Parliament Finance Committee and the Scottish Parliament Finance and Public Administration Committee, with officials from the Northern Ireland Assembly in attendance as observers. Members from the Northern Ireland Assembly Finance Committee joined the Forum following the restoration of the Executive and Assembly in February 2024. The last meeting of the Forum was attended by Members of all three Finance Committees.
6. Joint statements setting out the main areas of discussion were published following each meeting—
  - [Joint statement from the meeting on 16 June 2022](#)

- [Joint statement from the meeting on 24 March 2023](#)
- [Joint statement from the meeting on 21 March 2024](#)
- [Joint statement from the meeting on 19 June 2025](#)

7. As noted above, a key purpose of the Forum has been to provide a mechanism for dialogue and co-operation between parliamentarians in Scotland, Wales and Northern Ireland on issues of common interest and concern regarding devolved public finances, and to foster better understanding of devolved budgets and UK budget processes.
8. With this in mind, the Forum's first meeting in the Scottish Parliament focused on budget scrutiny approaches in each legislature, future challenges facing public finances, and learning from each other's experience and best practice. Members received presentations from the Financial Scrutiny Unit in SPICe, the Senedd Research Service and the Northern Ireland Assembly Finance Clerk.
9. At the second Forum meeting in the Senedd, Members received a presentation from the House of Commons Library on budget scrutiny by the UK Parliament, with a particular focus on the impact of that year's Spring Statement on devolved finances. The Forum also met with the then Welsh Government Minister for Finance and Local Government, Rebecca Evans MS, to discuss the intergovernmental mechanisms in place to resolve fiscal matters affecting the devolved administrations.
10. The Forum heard from Mike Keoghan, Deputy National Statistician and Director General for Economic, Social and Environmental Statistics at the Office for National Statistics and Dr Hannah White, Director of the Institute for Government, at its third meeting held in the House of Commons. Meetings were also held with Members of the Treasury Select Committee, Public Administration and Constitutional Affairs Committee and Rt Hon. David Gauke, a former HM Treasury Minister.
11. At its last meeting in Stormont, the Forum heard from Sir Robert Chote, Chair of the Northern Ireland Fiscal Council (and former Chair of the Office for Budget Responsibility) and the Northern Ireland Finance Minister. The then Chief Secretary to the Treasury also joined the meeting briefly, via videocall.
12. These joint meetings offered the Committees the opportunity to discuss their respective work programmes and identify areas of common interest as a basis for further collaboration. The impact of UK fiscal events on devolved budgetary processes, challenges arising from the operation of the devolved fiscal frameworks, and ongoing difficulties in securing UK Ministers' agreement to attend Committee meetings emerged as key themes during discussions.

## **Intergovernmental relations**

13. The intergovernmental relations (IGR) between the UK Government and the devolved governments of Scotland, Northern Ireland, and Wales, have been an area of interest for the Forum since its establishment.

14. Intergovernmental mechanisms and dialogue between Welsh and Scottish Governments were discussed at the Forum's second meeting in the Senedd, where Members heard from the then Welsh Minister for Finance and Local Government, Rebecca Evans MS.
15. Since 1999, the main forum for intergovernmental discussion was the Joint Ministerial Committee (JMC), which was designed to facilitate communication and cooperation between the UK Government and devolved governments. The JMC, which considered reserved matters that impinge on devolved responsibilities and vice versa, was established in 1999 by a [Memorandum of Understanding](#), which has since been amended several times. The JMC (unlike most other countries) had no statutory basis and met only when deemed necessary by the UK government.
16. A review of IGR (and JMC structures) was undertaken by Lord Dunlop following criticism over the lack of a statutory framework, the process for resolving disputes, and the role of the UK Government as a representative of both the whole of the UK and England individually. On 13 January 2022 a document described as the ['conclusions' of the review](#) was published. This document set out a range of proposals for new IGR structures which all four governments have agreed to work to. Those conclusions highlight the following principles for collaborative working—
  - maintaining positive and constructive relations, based on mutual respect for the responsibilities of the governments and their shared role in the governance of the UK;
  - building and maintaining trust, based on effective communication;
  - sharing information and respecting confidentiality;
  - promoting understanding of, and accountability for, their intergovernmental activity; and
  - resolving disputes according to a clear and agreed process.
17. The review proposed that the JMC should be replaced by an alternative structure comprising of three tiers, as illustrated

below:

## What will intergovernmental relations look like?

Proposed outline of new intergovernmental relations structure

### Top tier:

The Council

This is made up of the Prime Minister and heads of devolved governments.

### Middle tier:

#### Standing committees

The Interministerial Standing Committee (IMSC)

Ministers responsible for IGR consider issues that cut across different policy areas, and facilitate collaborative working between groups in the lowest tier.

The Finance Interministerial Standing Committee (F:ISC)

Will comprise Finance Ministers and consider finance and funding matters.

Additional interministerial committees

These committees might be formed temporarily to consider issues that would otherwise be in the remit of IMSC, but which require special consideration.

### Lowest tier:

A number of interministerial groups (IMG) will be formed to discuss specific policy areas, such as on transport, Net Zero, and the Trade and Cooperation Agreement with the EU.

Source: Scottish Parliament Information Centre (SPICe)

18. In addition to the new structure, the report proposed regular engagement, with frequency of meetings depending on tier, as well as changes to the provision of support mechanisms and dispute resolution. The report further clarifies that the reforms were “a statement of political intent” and would not be brought about through new legislation.
19. The Finance: Interministerial Standing Committee (F:ISC) was established to consider the impact of economic and finance matters affecting the UK. Its [terms of reference](#), as updated in September 2023, state that the F:ISC covers—
  - a) consideration of UK-wide and nation-specific macroeconomic and fiscal positions;
  - b) consideration of emerging economy and finance issues and longer-term challenges that affect all governments, where collaboration and sharing of information supports planning, policy development and decision-making;
  - c) other ad hoc economic/finance issues affecting all governments;
  - d) resolution of financial disputes.
20. Its membership comprises the Chief Secretary to the Treasury and Finance Ministers from the devolved governments. The Committee meets regularly, and its [communiqués](#) are published on the UK Government website.
21. The Senedd Finance Committee held an [inquiry into Fiscal Intergovernmental Relations](#) which reported in October 2024. As noted in that Chair’s letter to the Convener/Chair of the Scottish and Northern Ireland Committees, the report

provides “a set of principles and examples of good practice on how IGR on fiscal matters can be improved”, as well as “a substantial body of evidence in support of issues we have previously discussed through the Interparliamentary Finance Committee Forum”.

22. The report makes a number of recommendations, including—

- “that the Treasury should, as a matter of principle, differentiate between devolved governments and UK Government departments when making funding allocations and in sharing fiscal information ahead of announcements, as a way of respecting the constitutional realities of the UK that would strengthen intergovernmental relations and make processes more effective and transparent”;
- “that the Welsh Government should press the UK Government to develop legislative proposals, in consultation with the devolved governments and parliaments, to place intergovernmental relations on a statutory basis, in accordance with the recommendation of the Independent Commission on the Constitutional Future of Wales”
- “that the [Welsh] Cabinet Secretary pursues the following changes so that:
  - the Finance Interministerial Standing Committee becomes the most appropriate platform for the Treasury to share financial information to the devolved governments, in confidence if necessary, in advance of fiscal announcements;
  - the rules and processes of the Finance Interministerial Standing Committee are developed to ensure that they are sufficiently robust and to reduce the discretion currently afforded to the Chief Secretary to the Treasury in its ways of working;
  - the dates of Finance Interministerial Standing Committee meetings for the year ahead are agreed with finance ministers from the devolved governments in a timely manner”.

23. The Committee further recommended “that the Treasury improves its engagement with the finance committees of the devolved legislatures, both individually and through the Interparliamentary Finance Committee Forum, with a view of increasing formal and informal dialogue on fiscal matters relating to devolution”.

24. Relevant Cabinet Ministers have indicated that Treasury engagement with devolved governments immediately after the 2024 UK elections was encouraging. In December 2024, the Scottish Government’s Cabinet Secretary for Finance and Local Government welcomed “the improved working with the new UK government” in her [response to the Finance and Public Administration Committee’s report on pre-budget 2025-26 scrutiny](#).

25. Similarly, Mark Drakeford, Cabinet Secretary for Finance and Welsh Language, said at a [meeting of the Senedd Finance Committee on 6 March 2025](#)—

“I think we can genuinely say that things have been better this year in terms of the information flow from the UK Government. We had a great deal of information in October that, in previous years, we wouldn't have had until much closer to the end of the financial year. This too was discussed at the F:ISC last week, and I think this was a common theme amongst my colleagues. We all felt that we had had a better level of engagement, a better level of opportunity.”

26. This initial positive engagement seems to have waned. A copy of the Senedd Finance Committee's report was shared with the Chief Secretary to the Treasury (CST) on [2 April 2025](#) drawing attention to its findings and seeking views on the recommendations made. However, no response was received. In addition, the Scottish Government's Cabinet Secretary for Finance and Local Government stated, in a [letter to the Finance and Public Administration Committee](#) of 16 May 2025, that—

“Following the commitment to reset the relationship between the Scottish and UK Governments after the UK General Election last year, we have seen welcome improvements in information sharing and I was optimistic that the approach to the UK Spending Review (UKSR) would build on this and demonstrate a genuine willingness to work together. I expected, when I originally set the date for the MTFs, that we would have had more extensive dialogue on our priorities and a clearer understanding of the UK Government's intentions for their Spending Review, but this has regrettably not been the case.”

27. The Cabinet Secretary goes on to explain that she chose to delay publication of the Medium-Term Financial Strategy (MTFS) and Fiscal Sustainability Delivery Plan (FSDP) following a meeting between the devolved governments and the then CST in April 2025, “where the CST was unwilling to commit to further substantive intergovernmental Ministerial engagement and bi-lateral meetings in advance of the UKSR” and “was unable to provide clarity on the prioritised spending departments beyond what was already in the public domain for defence spending and information about the percentage reductions that UK Departments had been asked to consider within their spending review bids”. This “lack of meaningful engagement” led to the Scottish Government publishing the MTFs and FSDP in late June.

28. As explained by the Cabinet Secretary for Finance and Welsh Language during the aforementioned March 2025 meeting of the Senedd Finance Committee—

“I think the Scottish Minister raised the point of how can we embed this in the process so that it isn't vulnerable to changes of personnel—a different Chief Secretary or whatever. And the current Chief Secretary did offer to do a piece of work to codify the way in which information has flown this year so that it becomes more like a rulebook for the future...”

## **Impact of UK fiscal events on devolved budgetary processes**

29. The Forum provides an opportunity for a collective voice for the Scottish, Welsh and Northern Ireland's Finance Committees' interest in scrutinising UK

Government spending in devolved areas. It allows Members across all three legislatures to work together to share experiences, with the aim of improving budgetary and fiscal scrutiny and transparency.

30. Further devolution and the sharing of powers in recent years has led to budgetary decisions in the UK and the devolved nations becoming more closely linked. In addition, delays to the publication of the budget have led to condensed periods of scrutiny.
31. The Forum discussed the impact of UK fiscal events on devolved budgetary processes and, at its third meeting in Westminster, heard from the Rt. Hon. David Gauke, former Treasury Minister, who suggested that there would always be a tension between a UK Government that is pursuing outcomes that benefit the UK as a whole and the devolved governments which have the best interests of their nations at heart. Mr Gauke suggested that the impact of the timing of UK fiscal events on the devolved administrations is “an unintended consequence” rather than being at the forefront of the minds of those in the Treasury, with the impression given being that the Scottish and Welsh Governments are regarded as the same as any other department rather than as nations with their own policies, spending and tax decisions.
32. Following the 2024 UK general elections, [the Forum wrote to the new Chancellor of the Exchequer](#) in September 2024, welcoming her intention for spending reviews to “take place every two years, with a minimum planning horizon of three years, to avoid uncertainty for departments and to bring stability to the public finances.” The Committees asked for greater certainty to the devolved governments and Parliaments regarding the timing of major fiscal events each year, as well as the earlier sharing of information. It was noted that this is particularly important in relation to final supplementary estimates which can substantially impact on the in-year budget plans when there is less flexibility for devolved governments to respond to significant budgetary changes.
33. The Senedd Finance Committee’s report on Fiscal Intergovernmental Relations, published the following month, also recommended “that the [Welsh] Cabinet Secretary calls for annual and in-year Treasury funding announcements to be:
  - less ad hoc; and that information impacting on Welsh Government tax and budgetary policy is shared prior to UK fiscal events on a confidential basis; and
  - more transparent in terms of whether they are funded with new money or through savings or reprioritisation exercises undertaken by UK Government departments to enable Barnett consequential to be calculated”.
34. On 30 October 2024, the Chancellor presented her first Budget to Parliament and committed to holding one full fiscal event a year, in the autumn, with Spring statements expected to focus on the economic and fiscal outlook, rather than used to announce major policy decisions. This was welcomed by the three Committees.

35. The following UK Autumn Statement took place on 26 November 2025. This later than usual publication of the UK budget resulted in significant constraints on the time available for devolved governments to undertake the financial planning required to publish the devolved budgets, and for these to be properly scrutinised by the devolved parliaments.
36. The Scottish Cabinet Secretary for Finance and Local Government emphasised, in [correspondence to the Finance and Public Administration Committee](#), that the Treasury “failed to make the Scottish Government aware in advance” of the UK budget timetable, noting that “This is not the positive working relationship we were promised by the Prime Minister and Chancellor.”

## Evolution of the devolved fiscal frameworks

37. In its 2024 report on Fiscal Intergovernmental Relations, the Senedd Finance Committee asked “that the [Welsh] Cabinet Secretary continues to pursue with the UK Government that a review is undertaken on the Welsh fiscal framework and that the framework should be amended in line with the Scottish fiscal framework, including:
- linking index borrowing and overall reserve limits to inflation;
  - abolishing reserve draw-down limits;
  - increasing capital borrowing limits”.
38. The UK Government, in its Autumn Budget 2025, [announced changes](#) to the borrowing and drawdown limits in the Welsh fiscal framework, which included:
- 10 per cent increase in total and annual capital borrowing limits from 2026-27;
  - 10 per cent increase in Wales Reserve limit from 2026-27;
  - 10 per cent increase in Wales Reserve drawdown limits from 2026-27;
  - These limits will be uprated annually in line with inflation from 2027-28;
  - Temporary waiver of the Wales Reserve drawdown limits for 2026-27.
39. The Fiscal Framework for the Scottish Government was revised in August 2023, following a review which was underpinned by an [independent report](#) – commissioned by both governments – by Professor David Bell, David Eiser and David Phillips, which examined the different methods for indexing Block Grant Adjustments (BGAs). The main features of the [revised agreement](#) included retaining on a permanent basis the indexed-per-capita mechanism for calculating BGAs and increasing resource and borrowing limits, therefore providing additional flexibilities for the Scottish Government to manage risk and volatility.
40. The Scottish Government’s Cabinet Secretary for Finance and Local Government stated at the time that the revised agreement did not go as far as Scottish Ministers would have wished. The Cabinet Secretary was asked, during [evidence to the Finance and Public Administration Committee on 14 January 2025](#), if she was aware of any appetite within the UK Government for a wider review of the Scottish fiscal framework which could consider issues such as adjustments based on relative growth with the rest of the UK. Responding, the Cabinet Secretary said, “we absolutely want there to be a more ambitious review of the

fiscal framework, but despite our communication with the Treasury being better, I do not get the sense that it is keen to have a fundamental look at the framework". She said she would continue to pursue the issue.

41. In its [Budget Scrutiny 2025-26 report](#), the Scottish Parliament's Finance and Public Administration Committee stated that it "shares the Scottish Government's view that there would be merit in carrying out a wider review of how the fiscal framework is operating, including how adjustments based on relative growth with the rest of the UK impact on income tax revenues in Scotland." This view was reiterated in the Committee's [Report on the Scottish Budget process in practice](#), where the Committee also noted that the 2023 review "was later and much narrower than originally envisaged, and agreed changes were announced without prior consultation".
42. The Scottish Government's Cabinet Secretary has since [engaged with the UK Government](#), seeking to commence a broad review of the fiscal framework before 2028, "to mitigate the risk of the process being interrupted or curtailed by activities in advance of the next UK General Election". Early discussions on the scope for the next Fiscal Framework review were held by the Cabinet Secretary and the Chief Secretary to the Treasury at the [Joint Exchequer Committee meeting](#) on 17 October 2025. The Finance and Public Administration Committee submitted views to the Scottish Government on what should be included within scope of the review on [19 December 2025](#), highlighting borrowing and the Scotland Reserve, the timing of fiscal events and forecasts, and block grant adjustments and forecasting.
43. At the last Forum meeting in March 2025, Members heard from the Northern Ireland Finance Minister on the [Executive Restoration Package](#) and its [annex](#), as well as the key elements of the Northern Ireland interim fiscal framework, agreed in May 2024.
44. Subsequent to the publication of the [interim fiscal framework](#), the NI Executive commissioned Professor Gerald Holtahm, who had previously reported on the Welsh level of need, to produce an independent review of the NI level of need. This was in line with the UK Government's offer to consider a change to the level of need of 124% as per the interim fiscal framework, should there be sufficient independent evidence indicating a different level would be more appropriate. In his [report](#), published in June 2025, Professor Holtham indicated that he believes that the level of relative need for NI sits in the range of 126-132%. He suggested that a "reasonable single estimate would be 128".
45. Discussions with the UK Government regarding the NI fiscal framework continue; however, the UKG and NI Executive published an [update](#) on the implementation of the interim fiscal framework in June 2025. This indicates that the UKG and NI Executive have agreed a methodology for assessing relative funding which compares the Executive's un-ringfenced block grant funding per head to equivalent UKG funding per head in the rest of the UK. This methodology will be applied at each spending review and Autumn fiscal event to determine whether Executive funding per head is below 124% of comparable UKG spending per head. If this is the case, the needs-based factor of 24% in the Barnett Formula for

new Barnett consequentialials will be applied. If NI funding is at or above 124%, a 5% transitional factor will apply.

## **Parliamentary engagement with UK Government**

46. The Finance Committees from both the Senedd and the Scottish Parliament have been unable, throughout this session, to secure oral evidence sessions with the Chancellor and/or other Treasury Ministers, despite repeated invitations. These invitations have all been rejected, with the various individuals in post as Chief Secretary to the Treasury citing Parliamentary accountabilities and noting that “the UK Government is accountable to the UK Parliament for its tax and spending decisions.”
47. Despite being in the House of Commons for the Forum’s meeting in March 2024, both the then Chief Secretary to the Treasury and the Financial Secretary to the Treasury declined invitations to attend to speak informally with Members of both Committees.
48. Following the 2024 meeting in Westminster, the Forum issued a [joint letter](#) to the then CST, as the Treasury Minister responsible for devolved matters, expressing disappointment that neither she nor the Financial Secretary were available to meet informally, and seeking action in the following areas—
- the Chief Secretary to the Treasury and/or the Chancellor giving evidence to the devolved Committees when asked, to enable more effective scrutiny of the overall funding position in the devolved nations (a resumption of the practice in previous parliamentary sessions),
  - that greater consideration be given to the timing of the Autumn Budget and its impact on the scrutiny of devolved budgets, and
  - more certainty for devolved governments, public bodies and the voluntary sector in Scotland and Wales regarding multi-year spending plans and the earlier sharing of information.
49. The response received from the CST’s office noted that “Given the timing of this correspondence, the CST was not able to consider this letter before the Pre-Election Period commenced”.
50. Following the UK election, the Forum invited the newly appointed CST, the Rt. Hon. Darren Jones MP, to attend the Forum’s final meeting in Stormont on 19 March 2025. This invitation was accepted, and the then CST joined the meeting, via a short videocall. The CST’s engagement with the Forum was a welcome positive step towards resetting relationships between the UK Government and the devolved legislatures. Members were however disappointed that the session only lasted 12 minutes.
51. Reflecting on this meeting, the Forum issued a [joint letter to the CST](#) in May 2025, calling for greater engagement with the Treasury to allow Members of the three Committees to discuss the allocation of budgets and other funding to the devolved governments, together with more and better information and greater

transparency around the UK Government's budgetary decisions affecting devolved governments.

52. It was also noted that direct engagement was the practice in previous parliamentary sessions, reflective of the guidance set out in Devolution Note 12, which states that—

“While UK Ministers’ over-riding responsibility is to the Parliament at Westminster, any request for a Minister to attend a Committee of a devolved legislature should be treated with as much care and courtesy as an invitation to attend a Commons or Lords Select Committee. If the assessment of the legal position is that a Minister could be required to attend a meeting then sending a representative will not usually be acceptable and every endeavour should be made to attend when and as required by the devolved legislature.”

53. Following a reshuffle within the UK Government and the appointment of James Murray MP as CST in September 2025, both the Scottish and Northern Ireland Committees wrote again to the Treasury highlighting their expectation for better engagement with the Committees and with the Forum. As noted in the Scottish Finance and Public Administration Committee's [letter of 16 September 2025](#), “UK Ministers representing Labour, Liberal Democrat and Conservative parties have each attended formal meetings of the Scottish Parliament’s Finance Committee in previous parliamentary sessions”. It is disappointing, therefore, that this session none of the devolved Committees have been able to secure attendance from the Treasury, despite repeated invitations.

## Conclusion

54. **The three Committees considered the work and legacy of the Interparliamentary Finance Committee Forum at its last meeting in March 2025 and agreed unanimously to endorse the Forum as a vital means of supporting the work of devolved Finance Committees.**
55. **The Forum provides an invaluable platform for Committees to share common challenges and exchange information, and collectively exert influence on the Treasury with respect to evolution of the Budget process and allocations.**
56. **In light of the upcoming elections to the Scottish Parliament and the Senedd Cymru/Welsh Parliament, due to take place in May 2026, the Committees recommend that the Forum is re-established as soon as possible following the formation of the new devolved Finance Committees.**
57. **It is suggested that the Forum continues to focus on knowledge and information sharing, particularly in relation to fiscal events and the budget scrutiny process, as well as improving communication between Treasury and devolved Committees. As evidenced by the then CST’s attendance at the March 2025 meeting, the Forum can enhance the Committees’ ability to engage with the UK Government.**

- 58. Following the 2026 elections, the Forum may provide a platform for collaboration on the induction programme for new Members, particularly in relation to fiscal literacy.**
- 59. Future Committees may also wish to consider whether to invite Westminster Committees to take part in meetings of the Forum on a regular or ad hoc basis, for further and deeper collaboration across jurisdictions.**