

Richard Hughes, Chair  
Office for Budget Responsibility  
By email

6 February 2025

Dear Richard,

## Finance Committee Report: Scrutiny of the Welsh Government Draft Budget 2025-26

Thank you for attending the Finance Committee on 8 January 2025 to give evidence on the Welsh Government Draft Budget 2025-26. As usual, we found your session extremely helpful which greatly informed our report that was laid before the Senedd on Monday 3 February.

I wish to draw your attention to the following recommendations which relate to the work of the Office for Budget Responsibility:

***Recommendation 15.** The Committee recommends that the Office for Budget Responsibility, as part of the redesign of their Wales Taxes Outlook publication, prioritises improving its analysis of the relative growth and performance of the Welsh taxbase and tax incomes compared to the UK in their Welsh tax outputs.*

***Recommendation 16.** The Committee recommends that the Office for Budget Responsibility provides an update on its work to understand the impact that freezing income tax thresholds will have on the proportion of income tax raised in Wales, ahead of the 2026-27 budget round.*

***Recommendation 17.** The Committee recommends that the Cabinet Secretary provides an update on the outcome of discussions it has had with the Office for*

*National Statistics and the Office for Budget Responsibility on steps taken to mitigate the loss of key data and its impact on Welsh forecasts.*

I would be grateful if you could respond to these recommendations as soon as possible, but by the end of the Senedd's summer term (18 July) at the latest. A copy of this letter has been sent to the Cabinet Secretary for Finance and Welsh Language for information.

Yours sincerely,



Peredur Owen Griffiths MS  
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.