

Peredur Owen Griffiths MS
Chair of the Finance Committee

By email

23 June 2023

Dear Peredur

Thank you for your letter of 4 May 2023 and the opportunity to contribute to the Review of the Statement of Principles.

The Senedd Commission supports the Statement of Principles as an effective means to develop and make budget proposals. As a Commission we will be receiving at our July meeting a paper from the Senedd Commission's Executive Board, which sets out in detail how resources will be prioritised and managed over the medium term (over three years) and the Statement of Principles are at the heart of this approach.

This medium-term planning approach is set out in the Senedd Commission's Medium Term Resourcing Framework which was considered by the Senedd Commission's Executive Board on 16 June. This Medium-Term Resourcing Framework will further enable us to evidence the Commission's adherence with the Statements of Principles.

Adopting a medium-term view of future expenditure and funding will significantly improve the Directly Funded Bodies (DFBs) ability to plan and prioritise resource allocation and it would be helpful if future funding estimates were available to enable DFBs to better meet the Statement of Principles.

The DFBs have statutory responsibilities and each has a distinct role within the wider framework of oversight of Welsh Government and wider public sector in Wales. It would be helpful if this were recognised more strongly within Statement of Principles with the rationale for DFBs – due to their need to operate independently of the executive - having a distinct budget and estimates process being set out.

You also asked for comment on our views on the supplementary budget and estimates process. The supplementary budget and estimates process is a helpful and flexible mechanism to deal with in-year matters. As DFBs do not have the means to otherwise manage unforeseen significant in-year pressures such as holding contingency or reserves, the timely confirmation of the outcome of



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supplementary budget submissions is essential to the effective management of resource in year, recognising that the DFBs supplementary budgets are subject to the timeline for the overall Welsh Government supplementary budget of which they are part.

As mentioned earlier adopting an enhanced approach to medium term budgeting with greater certainty over future years' funding would help mitigate against unexpected pressures and reduce the reliance on the supplementary budget and estimates process.

I hope these comments are helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Skates', with a stylized flourish extending to the right.

Ken Skates MS

cc Senedd Commissioners, Manon Antoniazzi, Ed Williams

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

