

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Our ref: RE-231-2023

Huw Irranca-Davies MS
Chair, Legislation, Justice and Constitution Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

06 July 2023

Dear Huw,

Further to my recent letter advising you of the Finance: Interministerial Standing Committee Meeting, on 22 June at Cathays Park, Cardiff, for which I was Chair, I would like to briefly report on the discussions. A communique was also published following the meeting: [Finance: Interministerial Standing Committee - 22 June 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/finance-interministerial-standing-committee-22-june-2023)

Joining me in attendance were The Rt Hon John Glen MP, Chief Secretary to the Treasury (CST), and Shona Robison MSP, Deputy First Minister of Scotland and Cabinet Secretary for Finance. Officials from the Northern Ireland Executive also attended virtually, to observe.

On EU funding, I reported back on the action from the last meeting. I outlined how discussions had provided an opportunity to seek clarity and air concerns and were useful to aid understanding of the varying assessments and where differences had occurred in our calculations of full replacement funding. To move forward, I stressed the importance of earlier engagement.

The first substantive part of the meeting focussed on public spending pressures and economic outlook where the cost of living crisis and inflation continued to be a focus of discussion. I requested the CST look at additional support for vulnerable energy consumers, those on Universal Credit, and debt advice services.

During the discussion on public sector pay, I urged the UK Government to provide additional funding for the NHS to support its vital work as it approaches its 75th Anniversary and pressed for clarity on whether there will be additional funding for the devolved governments as a result of pay offers in England for the NHS and the Civil Service. Building on previous discussions on budgetary flexibility, I was able to use the pay discussion as an illustrative example of the importance of the Welsh Government having this flexibility.

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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.

The second part of the meeting focused on energy security. I highlighted the importance of working together to address energy security and ensure the costs of achieving net zero are socialised and distributed fairly, so the poorest in our communities do not see the largest relative increases in the costs they incur.

I outlined innovative programmes in which we are investing, and recommended projects that the UK Government could consider investment. I also urged investment in Wales' electricity grid.

Finally, I sought agreement to officials reviewing the F:ISC Terms of Reference and the Operating Protocols, to ensure meetings are running as expected compared to when the documents were produced 18 months ago. Officials will report back to the F:ISC at the next meeting.

The UK Government will host the next meeting, in September.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive, flowing style.

Rebecca Evans AS/MS

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