

Jane Hutt AS/MS
Y Trefnydd a'r Prif Chwip
Trefnydd and Chief Whip



Llywodraeth Cymru
Welsh Government

Elin Jones MS
Llywydd
Chair of Business Committee
Senedd Cymru
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4 July 2024

Dear Elin,

Under Standing Order 20, in my capacity as Minister with responsibility for government business, I am required to write to the Business Committee two weeks before the end of the summer term to set out a timetable for when the 2025-26 Draft Budget will be laid, and the annual budget motion will be tabled.

The current 2024-25 budget year is the final year of the multi-year settlement for which we have an indicative budget allocation. There continues to be a lack of clarity regarding the date of the fiscal event in which we will learn the precise details of our budget settlement for the 2025-26 budget year. This uncertainty will continue until an announcement is made following the forthcoming General Election.

The Cabinet Secretary for Finance, Constitution and Cabinet Office has carefully considered the benefits of publishing a draft budget based on indicative figures, which would be revised in a final budget once the settlement amount has been confirmed. However, doing so would not provide sufficient certainty for our delivery partners to make plans with any great degree of confidence, particularly given the levels of uncertainty over the fiscal context, and this approach would only be considered if our settlement would not be known until it was too late to complete the budget process within the current budget year.

As a result, we are, once again, obliged to recognise that the only prudent choice is to work on the basis that our settlement will be announced during the autumn term, and to follow a budget timetable akin to that employed in recent years, where we publish our draft budget close to the Christmas recess.

The difficulties in publishing a draft budget when learning details of our final budget settlement at such a late stage are well-rehearsed. It presents challenges for both the development of

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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.

departmental spending plans and their scrutiny by the Senedd. The timetable we intend to follow recognises the uncertainty over when we will learn our budget settlement and takes account of the need to provide sufficient time to ensure we can effectively undertake our budget preparations and provide an appropriate level of detail in our budget documentation, while also ensuring the maximum available time for scrutiny in the Senedd.

Standing Order 20.6 makes provision for the Committee to change the timetable at the request of the Government. Subject to this, and on the understanding that we will provide a firm timetable as soon as possible after the UK Government has made an announcement regarding its Budget, I wish to indicate now that we are planning to publish the outline and detailed draft budgets together on **10 December 2024**, and the final Budget on **25 February 2025**.

In proposing these dates, I am mindful of both Standing Order 20.5 and the arrangements agreed between the Welsh Government and the Welsh Parliament about the period provided for scrutiny. Standing Order 20.5 provides, in 'normal' circumstances, for the Finance Committee to be given eight weeks to report on the outline budget proposals and five weeks for committees to consider the detailed Budget proposals. Whilst this, once again, cannot be termed a 'normal' year under the current version of Standing Orders and the Budget Protocol, we are committed to ensuring the fullest possible scrutiny of our spending proposals. As a result, the timetable I have set out would enable 7 weeks and four days for scrutiny of the draft Budget, including four sitting weeks and four days, and three non-sitting weeks.

These dates would require the Finance Committee to publish its report on the draft budget on or before Monday 3 February to enable the debate on the draft budget to take place on Tuesday 4 February.

The Cabinet Secretary for Finance, Constitution and Cabinet Office is writing formally to the chair of the Finance Committee to seek the Committee's understanding given the circumstances. I would like to take the opportunity at Business Committee to seek confirmation from my fellow Business Managers that they would be similarly supportive.

The dates provided are dependent upon our budget settlement being announced in sufficient time to prepare the draft budget and may change. I will confirm arrangements once the date for the UK government's fiscal event is known. Should the date of the UK fiscal event be early in the Autumn term, we will carefully consider the case for amending our own budget timetable,

I am grateful for the Committee's understanding and trust these arrangements are acceptable given the circumstances, which are, once again, driven by external factors beyond our immediate control.

Yours sincerely,

A handwritten signature in black ink that reads "Jane Hutt". The signature is written in a cursive style with a long horizontal stroke above the first few letters.

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