

Rebecca Evans MS
Minister for Finance and Local Government

24 June 2022

Timetable for publishing the draft and final budget 2023-24

Dear Rebecca,

Thank you for your letter regarding the timetable for the draft budget. I very much welcome the open and transparent way that you have engaged with the Committee and I hope we can continue to work together to find workable and effective solutions.

The Committee's preferred option is the publication of the draft budget at the beginning of October. This provides the maximum amount of time for scrutiny, as provided by the budget protocol, and the greatest level of certainty for stakeholders. However, while it is disappointing that you are considering a condensed timetable again this year, we accept that keeping to longer timescales may not be desirable if the draft budget for 2023-24 changes substantially in light of a UK autumn fiscal event.

The alternative approach of delaying the publication of the draft budget until after such an event, on 19 December 2022, poses significant difficulties. If such an option was favoured, this would be the fourth consecutive year where the two-stage budget process was not used due to "exceptional circumstances". That said, we acknowledge the reasons put forward by you for delaying publication of the draft budget given the uncertainties regarding the quantum of funding the Welsh Government may or may not receive.

If the Welsh Government publishes the draft budget later in the year, the Committee requests that assurances are provided that would mitigate the impact of a curtailed timetable on budget scrutiny in the Senedd.

Maximising the time available for scrutiny

Although the Committee welcomes the commitment to bring forward publication of the draft budget as soon as practicably possible after the autumn fiscal event, the Committee believes that further details relating to the timing of the draft budget's publication is needed. In particular, we see no reason why you cannot commit to publishing the draft budget within three weeks of the autumn budget date, or on 19 December, whichever is earlier. This follows a similar approach adopted in Scotland, where the Scottish Government is required to lay its draft budget before the Scottish Parliament within three weeks of the autumn statement.

We also note that, if the draft budget is laid as late as 19 December, the time for scrutiny falls short of the eight weeks required by the budget protocol. This amounts to half (four sitting weeks) of the time that should be designated for scrutiny, once recess weeks are taken into account. In this "worst case" scenario, the Committee also asks that you consider pushing back the draft budget debate and the publication of the final budget to the middle of March, so that as much additional time as possible is made available for scrutiny.

Additional opportunities for scrutiny

The Committee welcomes the further measures you suggest to support the scrutiny of the draft budget prior to its publication, particularly around opportunities to engage with the Welsh Government's Chief Economist on how the economic and fiscal conditions are impacting on Welsh Government funding, prioritisation and ability to deliver current commitments, as well as to discuss themes emerging from the Committee's stakeholder events and issues relating to the Welsh Government's Budget Improvement Plan.

To make the most of these opportunities, the Committee wishes to hold an additional pre-budget evidence session with you early in the autumn term. Although the Committee appreciates that you may not be able to share details of the draft budget with Members at this stage, such a session would enable you to keep the Committee informed of the Welsh Government's latest funding position, including updates regarding the timing of an autumn fiscal event. This would also act as a stop-gap between the Committee's priorities debate on 13 July and the draft budget being published.

Reviewing the budget protocol

As part of its work programme, the Committee will review the budget protocol at some point during the current Senedd to ensure that it remains fit-for-purpose. However, the experience of recent years suggests that such work should be brought forward so that changes may be made ahead of the budget round for 2024-25. As mentioned previously, a greater focus by the UK Government on making fiscal announcements in the autumn has led to curtailed budget processes becoming commonplace and the Committee does not wish to face similar discussions around timetabling issues year upon year. We therefore ask you to acknowledge that the budget protocol needs to be reviewed

sooner rather than later and that you commit to working with the Committee to develop a budget process and architecture that is robust, agile and reflective of the Senedd's status as a national legislature.

As you indicate, scrutiny is an essential part of the budget process and helps to improve the final budget considered by the Senedd. However, effective scrutiny can only take place when every effort is made to allow the Senedd sufficient time and opportunities to look at the budget proposals in detail.

We look forward to considering the detailed timetable, once published, and appreciate your continued engagement on this matter.

Yours sincerely



Peredur Owen Griffiths MS

Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

