

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru

16 January 2025

Annwyl Peredur,

Given recent interest in the implications of Budgets not being approved by the Senedd, I am writing to set out the arrangements which would follow.

The Senedd's agreement of the annual Budget Motion authorises the Welsh Government and bodies directly funded by the Welsh Consolidated Fund (Senedd Commission, Public Services Ombudsman Wales, and Audit Wales) to spend resources as specified in the Motion during the financial year associated with that Budget. It also sets the limits of income that may be retained by the Welsh Government and directly funded bodies, and the amount of cash each body can draw from the Welsh Consolidated Fund. Supplementary Budget Motions are laid in the Senedd to amend these limits within a financial year.

If a Budget Motion is not passed before 1 April of the upcoming financial year, Section 127 of the Government of Wales Act 2006 (GoWA) (*Appropriation without Budget Resolution*) automatically takes effect. This would give the Welsh Government and directly funded bodies authority to accrue (spend) resources, retain income, and draw cash from the Welsh Consolidated Fund of up to 75% of the limits approved in the previous financial year. If a Budget Motion still has not passed by the end of July, up to 95% of the previous financial year limits are deemed authorised.

The first Supplementary Budget Motion of 2024-25, approved by the Senedd on 22 October 2024, contains the current authorised limits. It is intended that these will be revised in the forthcoming second Supplementary Budget, which I will publish next month. If the second Supplementary Budget Motion is not approved by the Senedd, the limits from the first Supplementary Budget Motion continue to apply.

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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.

Local authorities and other delivery partners set budgets and council tax amounts based on figures expected from the Welsh Government as set out in the Draft Budget and provisional local government settlement.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style and is contained within a thin black rectangular border.

Mark Drakeford AS/MS

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