

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



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru/ Welsh Parliament
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24 October 2022

Dear Peredur,

Welsh Government Draft Budget 2023-24 Timetable

Thank you for your letter dated 17th October requesting a review of the proposed timetable for the Welsh Government Draft Budget 2023-24 to enable further scrutiny time for the Senedd.

Once more, in the space of a few days, the circumstances in which I write to you have changed and the level of uncertainty within which we are operating has heightened. The Prime Minister's announcement that she will stand down creates renewed unpredictability over the future fiscal direction of the UK, accompanied by a lack of clarity on the future of the Chancellor and Chief Secretary to the Treasury. We do not know when this will be resolved and what implications it may have for the Welsh Government's Budget.

We do not know whether there will be any change to the date for publication of the UK Government's Medium-Term Fiscal Plan - currently scheduled for 31st October - and we are unlikely to have clarity on this in the coming days. We were hoping that publication of the OBR's independent forecasts would enable us to assess the implications for the Welsh Government's Budget and assist our Draft Budget preparations, but we are unclear as to when or if there will be an OBR publication along the original timescales. All of this is incredibly difficult to manage, as I am sure the Committee will appreciate.

In the face of this uncertainty, we must continue our preparations based on the parameters we currently have, and I remain committed to publication of the Draft Budget on 13th December. I will take a robust and considered approach to the challenges we face, working with my Ministerial colleagues to maximise the

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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.

investment of public money in the face of shrinking budgets. In these challenging times, unfortunately decisions will need to be made as to where funding must be stopped or postponed, as we simply do not have the money available to us to fund all we wish to do. On this basis, I wish to conduct the fullest possible assessment of impacts when preparing the Draft Budget.

I recognise how important the scrutiny of our plans is, and I want to continue to support the Finance Committee in undertaking this very important role. At the same time, I must weigh up the consequences of rushing the decision-making process in order to provide more time for scrutiny. If our Budget is cut there will be considerable ramifications for the services we deliver, the people who work in those services, and who are supported by those services; as well as impacts to society, the economy, and the environment. I also want to recognise that even if our funding is not cut, due to the economic climate our Budget will be reduced significantly in real terms, still requiring us to manage an incredibly difficult Budget process.

It is imperative therefore, that I ensure the most rigorous assessment of where funding should be prioritised. This process must account for any changes to our settlement, which remain unknown due to the uncertainty over the UK Government's plans. In order to provide a response commensurate to these circumstances, ensure it can be translated and published in an orderly fashion, this cannot be done within a shorter timeframe such as the one you have requested, without carrying significant disproportionate risks.

I committed to publishing our Draft Budget prior to Christmas to provide some certainty to delivery partners. This reflected a pattern whereby the Welsh Government has committed, exceptionally, to publish its Draft Budget within four weeks of a UK Government's late-November fiscal event. However, publishing within four weeks was never considered to be ideal and nor was it ever intended to become a precedent for years when it was not entirely necessary. It was always considered to be a 'worst case scenario' for the Budget timetable and does not reflect the difficult circumstances we now face.

Given my intention to publish the Outline and Detailed Draft Budgets together on 13th December (recognising the uncertainty associated with the UK Government) I would ask that the Finance Committee publishes its report on the Draft Budget on or before Monday 6th February, to enable the debate on the Draft Budget to take place on Tuesday 7th February. This would provide just one day fewer than the maximum set out in the protocol agreed between the Senedd Commission and the Welsh Government and will ensure that stakeholders and the public are able to engage with the Senedd and express their views. I propose this provides the most proportionate use of the time we have available and achieves a balance between the time available for Ministers to finalise their spending plans and for Senedd Committees to fully scrutinise the Draft Budget.

The Annual Budget will be published on 28th February 2023, to enable debate on Tuesday 7th March which is the latest date it can be debated and approved before the statutory deadline of 11th March.

Of course, these dates are subject to the continuing uncertainty surrounding the election of a new Prime Minister and the potential impacts of that election on our timetable for the Draft Budget 2023-24. However, I am committed to meet these dates, unless factors outside of my control prevent me from doing so.

While I appreciate these circumstances are less than ideal, I wish to wish to pass on my thanks to the Committee for their ongoing support. I would also like to put forward an opportunity for the Clerk of the Finance Committee to meet regularly with my lead officials on the Budget to ensure we maintain the open and constructive dialogue we have developed in recent times.

I am also copying this letter to the Chair of the Business Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a clear, legible font.

Rebecca Evans AS/MS
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