

Dawn Bowden MS

Deputy Minister for Arts, Sport and Tourism

Welsh Government

19 February 2024

Impact of budget reductions on arms-length bodies

Dear Dawn

At our meeting on 8 February 2024, we considered a [letter](#) from members of the Public and Commercial Services Union at Amgueddfa Cymru and the National Library for Wales that related to the proposed budget reductions for 2024-25. We are writing to you to outline the increased concerns we have about the likely effects which budget reductions could have on arms-length bodies.

We noted in our [report on the Welsh Government's Draft Budget for 2024-25](#) that, whilst we accept the exceptionally difficult decisions facing the Welsh Government, we nevertheless feel that the Welsh Government must prioritise spending in certain areas of this portfolio. We also raised concerns with the government about the timeframe for redundancy processes which might now have to be run by arms-length bodies within your ministerial remit. We noted that:

Any redundancy process cannot be rushed. Such processes must be done diligently; consistently across different arms-length bodies; appropriately to account for the wellbeing of staff; and properly.

In line with the regular procedure for Draft Budget scrutiny, we will consider your response to these points, and others, in due course when we receive your formal response to our report. Since we published that report, however, more information about the likely effect of these cuts has been brought to our attention, and so we now wish to seek further information, and assurance, from you about the decision to reduce revenue budgets for arms-length bodies..



We are aware that some arms-length bodies which are funded by your department were asked to “scope” or plan for much larger revenue budget reductions than those outlined in the Draft Budget for 2024-25. We are deeply concerned that this might mean those bodies could be asked to make a similar level of reduction in 2025-26 as they have in the Draft Budget 2024-25. Were arms-length bodies to be asked to make similar levels of cuts in successive years, we would gravely fear for their future.

As such, we would like to know:

1. The level of budget reductions that arms-length bodies in your remit were asked to plan for while officials were preparing the Draft Budget for 2024-25.
2. What information your officials sought from arms-length bodies to inform the budget reductions outlined in the Draft Budget for 2024-25.
3. What assurances you can provide to us that the level of reductions proposed for 2024-25 are a “one-off” reduction for the bodies within your ministerial remit, and not the first phase of a “two-year” cut.

We would be grateful if you could provide the above information separately for the following arms-length bodies:

- Sport Wales
- National Library of Wales
- Amgueddfa Cymru
- Royal Commission on Ancient and Historical Monuments in Wales
- Welsh Books Council

We know that the 2024-25 budget reductions are having a sizeable impact on the day-to-day operation of these arms-length bodies. Many are having to look again at the services that they can provide, and are having to consider reducing operational costs by reducing staffing levels. We recognise that such extensive restructuring, and the staff redundancies that would inevitably follow, would be deeply unsettling for everyone concerned, and that the fallout of these redundancies would continue to be felt for some time. We are aware that you have committed to revisiting the remit letters of these organisations in light of their proposed budget reductions. Were similar levels of budget reductions to be introduced next year, we fear that these bodies would be destabilised again. This would be an unsustainable situation. Such continuing uncertainty, and cuts of this scale, would devastate our national institutions and cause irreparable damage to their ability to function properly.

As was outlined in the letter that was sent to us, we too would ask, and we quote, "what will be left of Wales' flagship cultural and national institutions if these cuts are imposed?".

We look forward to receiving a response by 4 March 2024.

Yours sincerely,



Delyth Jewell MS
Committee Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

