

Rebecca Evans MS
Minister for Finance and Local Government

9 May 2022

Improving budgetary and tax processes

Dear Rebecca,

Many thanks for inviting me to the first meeting of the Budget Improvement and Impact Advisory Group (BIIAG) on 30 March. As mentioned previously, the Committee is keen to collaborate with you on these issues in order to improve the way that stakeholders and the public at large engage with, and understand, the budget process in Wales. Your kind offer to the Committee of a technical briefing from your officials on the Budget Improvement Plan is another part of that process.

I appreciate that a distinction needs to be made between work relating to budget improvement and the introduction of mechanisms to make changes to tax legislation. However, I also believe that a further distinction should be made between these issues and a wider review of the Senedd's budgetary procedures.

It is quite right that the on-going budget improvement initiatives are conducted by the government and reports to you as Minister. In contrast, a review of the Senedd's budget procedures is potentially a much wider issue that encompasses both the approval of overall spending limits and changes to tax legislation. As such, it requires a distinct collaborative approach between the Welsh Government and the Senedd.

As the consideration of the Welsh Tax Acts etc. (Powers to Modify) Bill has demonstrated, the introduction of mechanisms to make changes to tax legislation is not straightforward and a long-term solution requires careful development. Similarly, I recognise that differences of opinion exist on the need for a legislative budget process and whether such legislation should include elements of financing.

As you are aware, the previous Finance Committee concluded that an independent group should be set up to look at these issues. I therefore welcome that you are open to considering establishing such a review and look forward to hearing the outcomes of discussions between officials.

Changes to the Senedd's budget procedures should be made on a non-partisan basis and only brought forward once broad consensus on these issues have been reached. Working together to review the current arrangements through an independent forum, and involving stakeholders to consider new and innovative budgetary processes, would be the best way of achieving that.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peredur Owen Griffiths', written in a cursive style.

Peredur Owen Griffiths MS

Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.