

## Agenda – Finance Committee

---

Meeting Venue: Hybrid – Committee room 4 Ty Hywel and video conference via Zoom	For further information contact: <b>Owain Roberts</b> Committee Clerk 0300 200 6388 <a href="mailto:SeneddFinance@senedd.wales">SeneddFinance@senedd.wales</a>
Meeting date: 5 December 2024	
Meeting time: 09.30	

---

### Registration

(09.00–09.15)

### Private pre-meeting

(09.15–09.30)

#### 1 Introductions, apologies, substitutions and declarations of interest

(09.30)

#### 2 Paper(s) to note

(09.30)

(Pages 1 – 6)

Minutes of the meetings held on 23 October and 7 November.

##### 2.1 PTN 1 – Scrutiny of the Senedd Commission Draft Budget 2025–26: Senedd Commission response to the Committee's report recommendations – 5 November 2024

(Pages 7 – 16)

##### 2.2 PTN 2 – Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs: Section 150 order of the Government of Wales Act 2006 – 6 November 2024

(Pages 17 – 23)

##### 2.3 PTN 3 – Letter from the Cabinet Secretary for Finance and Welsh Language: Further information on the Welsh Language and Education (Wales) Bill – 12 November 2024

(Pages 24 – 26)



- 2.4 PTN 4 – Letter from the Cabinet Secretary for Finance and Welsh Language:  
Second Supplementary Budget 2024–25 – 15 November 2024  
(Page 27)
- 2.5 PTN 5 – Welsh Government response to the Finance Committee's report on  
Fiscal Intergovernmental Relations – 25 November 2024  
(Pages 28 – 43)
- 2.6 PTN 6 – Letter from the Chair of the Local Government and Housing  
Committee: Local Government Funding Formula – 20 November 2024  
(Page 44)

### 3 Visitor Accommodation (Register and Levy) Etc. (Wales) Bill:

#### Evidence session 1

(09.30–11.30) (Pages 45 – 78)

Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language,  
Welsh Government

Anna Adams, Deputy Director, Tax Strategy and Intergovernmental Relations,  
Welsh Government

Nicholas Lambert, Senior Lawyer, Treasury and Procurement Team, Legal  
Services Department, Welsh Government

Emma Anderson, Solicitor, Education (Schools), Culture, Media, Sport and  
Tourism Team, Welsh Government

#### Supporting document:

[Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill, as introduced](#)  
(PDF, 355KB)

[Explanatory Memorandum](#) (PDF, 2.6KB)

[Statement of policy intent](#) (PDF, 280KB)

[Letter from the Cabinet Secretary for Finance and Welsh Language: Indicative  
Stage 2 amendments that the Welsh Government intends to table – 26  
November 2024](#)

Senedd Research Brief

**4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.**

(11.30)

**5 Visitor Accommodation (Register and Levy) Etc. (Wales) Bill:  
Consideration of evidence**

(11.30–11.45)

**6 Welsh Language and Education (Wales) Bill: Consideration of draft report**

(11.45–12.15)

(Pages 79 – 99)

**Supporting documents:**

FIN(6)–26–24 P1 – Draft report

## Concise Minutes – Finance Committee

---

Meeting Venue: **Hybrid – Committee room 3, Senedd and video conference via Zoom**

This meeting can be viewed on [Senedd TV](#) at:

<http://senedd.tv/en/14908>

Meeting date: Thursday, 7 November 2024

Meeting time: 09.30 – 11.25

## Hybrid

---

### Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	Adrian Crompton, Auditor General for Wales, Audit Wales Dr Ian Rees, Chair of the Wales Audit Office, Audit Wales Kevin Thomas, Executive Director of Corporate Services, Audit Wales Ann-Marie Harkin, Executive Director of Audit Services, Audit Wales
Committee Staff:	Owain Roberts (Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher) Božo Lugonja (Researcher)



## **Registration**

### **Private pre-meeting**

#### **1 Introductions, apologies, substitutions and declarations of interest**

1.1 Introductions, apologies, substitutions and declarations of interest

#### **2 Paper(s) to note**

2.1 The Committee noted the papers.

2.1 PTN 1 – Letter from the National Statistician: Wales-specific Quarterly Growth Data – 21 October 2024

2.2 PTN 2 – Health and Social Care (Wales) Bill: Welsh Government response to the Health and Social Care Committee's report recommendations – 25 October 2024

2.3 PTN 3 – Health and Social Care (Wales) Bill: Welsh Government response to the Legislation, Justice and Constitution Committee's report recommendations – 25 October 2024

2.4 PTN 4 – Letter from the Public Services Ombudsman for Wales: Action Plan in relation to the Independent Review of investigations into Code of Conduct complaints – 29 October 2024

#### **3 Audit Wales – Scrutiny of the Estimate 2025–26 and Interim Report: Evidence session**

3.1 The Committee took evidence on Audit Wales's Estimate 2025–26 and Interim Report from Adrian Crompton, Auditor General for Wales, Audit Wales; Dr Ian Rees, Chair of the Wales Audit Office, Audit Wales; Kevin Thomas, Executive Director of

Corporate Services, Audit Wales; and Ann-Marie Harkin, Executive Director of Audit Services, Audit Wales.

#### **4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting, and the meetings on 20 November and 27 November**

4.1 The motion was agreed.

#### **5 Audit Wales – Scrutiny of the Estimate 2025–26 and Interim Report: Consideration of evidence**

5.1 The Committee considered the evidence received.

#### **6 Financial Transactions Capital: Consideration of draft report**

6.1 The Committee considered the draft report and agreed it with minor changes.

#### **7 The Land Transaction Tax (Relief for Special Tax Sites) (Wales) Regulations 2024**

7.1 The Committee considered the briefing note on the Land Transaction Tax (Relief for Special Tax Sites) (Wales) Regulations 2024 and noted the Legislation, Justice and Constitution Committee's report on these regulations.

#### **8 Consideration of Forward Work Programme**

8.1 The Committee considered the Forward Work Programme.

# Concise Minutes – Finance Committee

---

Meeting Venue: **Hybrid – Committee room 3, Senedd and video conference via Zoom**

This meeting can be viewed on [Senedd TV](#) at:

<http://senedd.tv/en/14128>

Meeting date: Wednesday, 23 October 2024

Meeting time: 09.30 – 11.00

## Hybrid

---

### Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language, Welsh Government Bethan Webb, Deputy Director, Cymraeg 2050, Welsh Government Joanne Corke, Head of Research, Education, Social Justice and Welsh Language Group, Welsh Government
Committee Staff:	Owain Roberts (Clerk) Sian Giddins (Second Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher) Manon Jones (Researcher)



## Registration

### Private pre-meeting

#### 1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

#### 2 Paper(s) to note

2.1 The Committee noted the papers.

2.1 PTN 1 – Letter from the Cabinet Secretary for Finance and Welsh Language:  
Finance: Interministerial Standing Committee (F:ISC) – 16 October 2024

2.2 PTN 2 – Letter from the Petition's Committee: Petition P-06-1403 Reconsider cuts to Postgraduate funding and increase Doctoral Loans to match UKRI Stipend – 16 October 2024

2.3 PTN 3 – Health and Social Care (Wales) Bill: Welsh Government response to the Finance Committee's report recommendations – 18 October 2024

#### 3 Financial implications of the Welsh Language and Education (Wales)

##### Bill: Evidence session

3.1 The Committee took evidence on the financial implications of Welsh Language and Education (Wales) Bill from Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language, Welsh Government; Bethan Webb, Deputy Director, Cymraeg 2050, Welsh Government; and Joanne Corke, Head of Research, Education, Social Justice and Welsh Language Group, Welsh Government.

3.2 The Cabinet Secretary agreed to provide the following:

- Clarification on the cost of late immersion education and when in the appraisal period these costs will fall.
- A note on any financial support for the provision of Welsh language learning outside of schools, in particular, within youth services.

#### **4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.**

4.1 The motion was agreed.

#### **5 Financial implications of the Welsh Language and Education (Wales) Bill: Consideration of evidence**

5.1 The Committee considered the evidence received.

#### **6 Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales: Consideration of draft report**

6.1 The Committee considered the draft report and agreed it with minor changes.

#### **7 Consideration of the financial implications of the Legislation (Procedure, Publication and Repeals) (Wales) Bill**

7.1 The Committee considered the paper on the financial implications of the Legislation (Procedure, Publication and Repeals) (Wales) Bill.

7.2 The Committee agreed to write to the Counsel General and Minister for Delivery to request further information on the financial implications of the Bill.

Peredur Owen Griffiths AS  
Chair of Finance Committee  
Welsh Parliament  
Tŷ Hywel  
Cardiff Bay  
CF99 1SN

5 November 2024

Dear Peredur

Thank you for your Committee's **Report on the Scrutiny of the Senedd Commission Draft Budget 2025-2026**, published on 21 October 2024. The Commission's response to the Finance Committee's recommendations is detailed in **Annex A**.

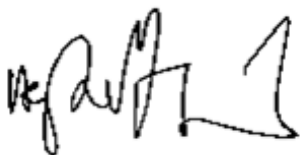
I am pleased that the majority of the Committee supports the overall request for resources in 2025-26. As in previous years, the Commission intends to provide as much transparency as possible over budget-setting and management; as is the case in the current financial year, the Senedd Reform and Ways of Working Programme budgets will be managed as separately identifiable ringfenced areas of spend.

I welcome the opportunity to provide further information on some of the key areas within the Commission's Draft Budget, including Senedd Reform, Ways of Working and projects, and also look forward to continued engagement with the Committee and Members as we develop the budget and Medium-Term Resourcing Framework for 2026-27 and beyond.

I am pleased that the Committee recognises the support provided by the Commission in supporting its staff and their wellbeing. We continue to be committed to ensuring all our staff have the right support in these pressured times.

I would like to thank the Committee for its scrutiny and I look forward to the debate on the Commission Budget motion on the 20 November. If there is any further information your Committee would like to have, please do not hesitate to let me know.

Yours sincerely





Hefin David MS  
cc Manon Antoniazzi, Ed Williams



Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



**Senedd Cymru**  
Bae Caerdydd, Caerdydd, CF99 1SN

 Cysylltu@senedd.cymru  
 0300 200 6565

**Welsh Parliament**  
Cardiff Bay, Cardiff, CF99 1SN

 Contact@senedd.wales  
 0300 200 6565

## **Annex A – Finance Committee Conclusion and Recommendations**

**Conclusion 1. The Committee notes the Senedd Commission’s intention to remove the £456,000 relating to staff back-pay from its budgetary proposals for 2025-26 should the First Supplementary Budget 2024-25 be approved by the Senedd on 22 October, and expects that these figures are removed from the Commission’s final budget prior to its consideration by the Senedd later in the autumn term**

To confirm, as indicated in the initial Draft Budget document submitted for scrutiny, the Final Budget has removed the £456k provision for the backpay of relevant Commission staff required in order to settle the 2024-25 element of our TUS pay claim. The total budget request for 2025-26 is therefore reduced by £456k to £83.845million.

**Recommendation 1. The Committee notes the ‘Senedd Commission Draft Budget 2025-26’ and, by majority, recommends the Senedd supports this budget, subject to the comments and recommendations in this report.**

Noted.

The Commission is grateful to the Committee for its support and detailed analysis.

**Recommendation 2. The Committee recommends that the Senedd Commission undertakes regular scrutiny sessions with the Committee to discuss how the Commission’s budget preparations are evolving for the 2026-27 financial year.**

Accepted.

The Commission welcomes the Finance Committee’s scrutiny and comment on the Commission’s financial management processes, specifically on budget development and management. We are committed both to transparent adherence to the Committee’s Statement of Principles and to ensuring that Members’ views are fully taken into account within our budgetary framework. The end-to-end timetable for the production of the 2026-27 budget and Medium-Term Resourcing Framework will be developed to include Finance Committee scrutiny points at the key stages, and we stand ready to attend meetings whenever required.

**Recommendation 3 - The Committee recommends that the Senedd Commission, in accordance with the Statement of Principles, explains:**

- **how it seeks to improve processes and accrue efficiencies;**
- **how processes to generate savings have changed in light of the changes to the Commission’s budget caused by Senedd Reform; and**
- **how this approach will develop beyond the 2025-26 financial year;**



**and that progress is reported to the Finance Committee on these matters before the draft budget for 2026-27 is laid.**

Accepted.

The Commission, being mindful of the principle whereby it must not assume that it receives full funding for its budget proposals, established its Medium-Term Resourcing Framework using a 'managed growth' approach as its basis. This approach explicitly sets an annual target for Commission staffing (by far the largest element of its budget) that is below 100%, and established ringfences for major programmes through which all underspends will be returned to the public purse.

This approach is designed to be on-going, across many years. For the 2025-26 year in particular, however, having considered the range of unique pressures, proactively managed and absorbed significant in-year pressures, and noting the context within which those burdens are arising, the Commission concluded that it must seek the full, additional funding for Senedd Reform, critical infrastructure, major projects and staff pay that are included within this Draft Budget. This is because any underfunding of these items will have consequences for the Commission's statutory duty to meet the needs of the Parliament.

The budget proposal for 2025-26 is submitted after the Commission has delivered 2 years of cash savings as well as bearing the cost pressure of a significant in-year cost-of-living payment. The requested increases have been put through multiple rounds of challenge to ensure the budget proposal is as prudent as possible. The Commission also actively considered lower options for the potential staff pay award but was extremely mindful of both the wider public sector context and the industrial relations landscape in this regard (noting that the PCS Union has a current mandate for strike action).

As a key example of this taut budgeting approach, our MTRF sets a 'Target Establishment' for the permanent staffing establishment to ensure that the Commission lives within its staffing resource envelope and absorbs in-year pressures. This is reflected in the fact that, whilst 16 staffing requests arose in total during our service planning process, the final budget proposal for 2025-26 only seeks an increase in funding for 4 temporary posts (directly to support Senedd committee work) in our 'business as usual' core services. All other staffing increases sought are funded from within the defined ringfenced areas (Senedd Reform and Ways of Working).

This proposed budget is a planned step change, consistent with the move to a larger Senedd of 96, whose needs the Commission must meet. The level of growth to support this new level of Senedd activity, is the lowest it can realistically be for the 2025-26 year, having placed proposed levels of growth under significant challenge and scrutiny internally. For this Draft Budget, the Commission recognised that the previous year's growth target, the GDP Deflator, normally used to ensure that we reflect the budgetary context across the wider public sector, would have placed at critical risk, the changes that the Commission must make to ensure it meets the needs of the 7<sup>th</sup> Senedd and meets other significant non-discretionary pressures arising.

Being mindful of the challenging context for the wider public sector and the need to demonstrate value for money in our budget proposals, the Commission is happy to confirm that, in future, its budget submissions will comprise 3 clear elements: a growth plan, with supporting evidence; an efficiencies plan; and a savings plan. In this way, the Committee and then the Senedd will be able to see, each year,



the steps the Commission has taken to mitigate any growth in funding levels that it is seeking through its work to drive year-on-year efficiencies and, where possible, cash savings. Furthermore, noting the request for the Committee to see progress in this area in advance of the Draft Budget being laid each year, the Commission proposes to provide an update to the Committee before the draft budget for 2026-27 is laid, to set out, as far as it is able to at that point, the high-level position on its budget preparations in relation to likely growth, savings and efficiencies, in advance of the full, final details being provided in the Autumn, as part of the laid Draft Budget.

In addition, we will utilise advances in technology and the opportunity afforded by the step-change to a larger Senedd to further improve processes, for example by seeking clearer “return on investment” information within business cases for change projects.

In the longer-term, as a principle, the Commission intends to revert to using the GDP deflator as a benchmark to guide its operational growth levels over time. However, with recent significant volatility that has reduced its efficacy as a prudent benchmark, it may be a little time until the deflator becomes a stable annual forecast measure again. Nevertheless, Commission officials are exploring the option of applying a 3 year GDP deflator average within the development of our 2026-27 budget. This should smooth out volatility (thereby re-instating its efficacy as a benchmark), use known historical deflators rather than forecast figures that have recently undergone significant revisions, and therefore ensure that we move back to having a clear method for staying within the overall public sector range of growth but in a pragmatic way.

**Recommendation 4: The Committee recommends that the Senedd Commission shares a copy of its Medium-Term Resource Framework with the Committee to enable a greater understanding of how it is driving forward efficiencies and in order hold such processes to account.**

Accepted.

The 2025-26 Medium-Term Resources Framework (MTRF) will be shared with the Committee (attached with this letter).

**Recommendation 5 – The Committee recommends that the Senedd Commission considers formalising its engagement with Members of the Senedd and Party Groups prior to the publication of the Draft Budget for future budget rounds and that sufficient time is provided to ensure that the outcomes of this engagement is able to influence budgetary decision making**

Accepted.

The Commission has asked officials to include formalised Member engagement as part of the end-to-end budget process for 2026-27. The Engagement Plan for this will be shared with the Finance Committee. It is likely to make provision for Member engagement through the Party Groups in May/June each year, after the first iteration of the MTRF has been produced, and for a further round of engagement with Members/Groups in September each year, when a working draft Commission budget is available (and prior to its formal consideration and determination by the Commission).



**Recommendation 6 – The Committee recommends that the Senedd Commission continues to show separation of ring-fenced budgets and sets out in budget documentation how Senedd Reform costs compare to the Regulatory Impact Assessment estimates in future budgets.**

Accepted (for 2026-27).

The Senedd Reform budget and record of expenditure will remain ringfenced and reported separately to the operational budget for 2026-27.

However, there will come a time when the change activity becomes part of core operations. It may be, for example, that the Commission will consider, for its 2027-28 budget or for its 2028-29 budget, that the changes made (and highlighted) in its 2025-26 and 2026-27 Senedd Reform ringfenced budgets are no longer separate from normal operations.

The Senedd Reform Regulatory Impact Assessment (RIA) was a costings exercise undertaken in 2022-23, based on a set of assumptions (some set by Welsh Government, some set by the Commission). It was intended to provide the “best estimates” of costs as required by the Commission’s Standing Orders when proposing legislation. It should be noted that future budgets will continue, quite properly, to diverge from the RIA costing exercise, as the impact of year-on-year pay and price cost increases continue to crystallise. A key assumption underpinning the RIA costing exercise was that staff and other costs did not include any assumptions for future pay awards and general prices increases, this flat cash assumption while helpful in the context of understanding the scale of costs does not properly represent the on-going impact of pay and price cost changes. The RIA therefore becomes less and less of a meaningful budgetary and accounting tool over time.

In 2025-26 the budget requirement has exceeded the original costing by c£400K or 7.8%, mainly driven by increasing capital costs estimates and provision for pay awards, which has significantly (but not fully) been offset by a rigorous challenge and reduction to the staffing requirements. The overall variance, for 2025-26 sits within the context of a multimillion-pound budget.

The Commission is therefore content to accept the Committee’s recommendation for its next Draft Budget (for the 2026-27 year) but suggests that there is further discussion on this recommendation during next year’s budget round.

**Recommendation 7 – The Committee recommends that the Senedd Commission attends public evidence sessions in relation to the Cardiff Bay 2032 project, with the first taking place soon after the outline business case is agreed**

Accepted.

The Commission will be happy to participate in any public, formal scrutiny sessions with the Committee on its agreed positions and decisions with regards to the Bay 32 project as requested.

**Recommendation 8 – The Committee recommends that the Senedd Commission provides information regarding how decisions relating to the Cardiff Bay 2032 project will be taken,**



**including when Members of the Senedd will be involved in such decisions and related timescales.**

Accepted.

The Commission has already engaged with all Members on this project in writing (through a letter from the Llywydd), through attendance by officials at party group meetings and through bi-lateral discussions between the Llywydd and Group Leaders / individual Members. The Commission has also engaged with senior Welsh Government officials to ensure that the First Minister has been kept informed of progress (and this engagement between officials will continue via a Joint Assurance Board that meets regularly).

The Commission has also recently established a Member Reference Group for the Bay 32 project (in addition to the Siambr Member Reference Group), to ensure that Members' views, on a cross-party basis, are directly provided to, and taken into account by, the lead officials for the project during its progress.

The Commission will regularly consider the issue of Member engagement, and take action in this regard as necessary, throughout the life of the project.

**Recommendation 9 – The Committee recommends that the Senedd Commission explains:**

- **what mechanisms will be in place regarding agreeing dilapidation payments at the end of the Tŷ Hywel lease;**
- **how it is ensuring that any current or future projects on the building are aiming to reduce such liabilities; and**
- **how these costs will be absorbed by the Cardiff Bay 2032 project and whether such costs will be ring-fenced in future.**

Accepted.

The Commission has a full repair lease for Tŷ Hywel along normal commercial lines. It will be responsible for any dilapidations should the lease end at a point in the future. Should the need arise, the Commission will negotiate any dilapidations with the advice and support of its estate professional advisers with the aim of ensuring value for money and protecting the public purse whilst meeting its agreed obligations as per its lease terms.

Tŷ Hywel is now over 30 years old, meaning maintenance and lifecycle replacement costs will continue to increase as the estate ages further. Improvements in sustainability will also come at increasing cost. These costs are a fundamental aspect of the business case being developed to underpin any future decisions of future Senedd accommodation as part of the Bay 32 project.

The Bay 32 business case will, as is best practice, adopt a "whole-life" costing methodology for the various options to ensure that the cost of dilapidations and increasing maintenance costs of Tŷ Hywel are assessed as part of the economic and financial appraisal of the project. The exact figures are far too uncertain at this stage of the project as they will be subject to commercial negotiations throughout the competitive procurement process for the Bay 32 project (which is due to commence in December 2024). However, once they crystallise, a final full version of the business case will be drafted to include them.



We expect this full business case to have been developed by the end of the 2025 calendar year with the project budget needing to meet any final dilapidations figure if any works are required (the Committee should note that the project is not ruling out remaining in Tŷ Hywel at this point which would obviously negate the need to negotiate and meet dilapidations obligations).

Between now and the delivery of the future accommodation solution the Commission will need to continue investing in lifecycle maintenance activity to ensure the Senedd's needs continue to be met and avoid a critical failure. Investment decisions over the next 12-18 months will be made with the Bay 32 project in mind to ensure continued value for public money, noting that whatever the project outcome, the Commission is still obligated to make further investment in Tŷ Hywel between now and 2032 – such spend should not be considered nugatory. The Commission will in practice charge dilapidations (if they are required) as a project cost to the Ways of Working ring-fence which funds Bay 32. The continued maintenance requirements will be resourced from our baseline operational budget as normal business as usual maintenance costs.

**Recommendation 10 – The Committee recommends that the Senedd Commission provides information regarding its estate strategy over the next 5 to 10 years by the beginning of the 2025-26 financial year, including details of any large scale projects being undertaken within that timeframe and associated costs, where available**

Accepted.

The Commission will provide details of large scale estate projects over the next 5-10 years by the start of the financial year. It will provide estimated costs where these are not commercially sensitive (i.e. costs which if released into the public domain would be likely to hinder the Commission's ability to achieve value for money during any tendering process for large projects by revealing our estimated cost envelopes to the market).

Overall, the Commission maintains several mechanisms to ensure there is a comprehensive view of estate project and investment spending over a 5-10 year period, as follows:

- The Estate Forward Maintenance Register (EFM FMR). This document sets out infrastructure lifecycle replacement items and a forecast of their potential timing (based on their expected remaining lifespan) out to 2031. As it stands, noting that the outcome of the Bay 32 project will influence how lifecycle replacement and dilapidations are approached, the FMR forecasts a number of large-scale replacement projects as would be expected for an estate portfolio with a similar size, complexity, and age as the Commission's.
- The ICT Forward Work Plan (ICT FWP). This document sets out ICT and broadcasting infrastructure replacement items and a forecast of their potential timing. Noting the potential impact of the Bay 32 project on future accommodation (as set out above), the FWP covers the period out to 2029-30. ICT and broadcasting infrastructure is a key consideration in all estates projects.
- The Medium-Term Project Pipeline (MTPP). This document provides a holistic three-year overview of all planned Commission projects, in alignment with the Medium-Term Resourcing



Framework (MTRF). It brings together those projects in the above documents with all other projects across the Commission (for example, projects that individual service areas plan to deliver). It is maintained by the Portfolio Management Group.

**Recommendation 11 – The Committee recommends that the Senedd Commission provides further information about the Pierhead Review Project within three months of the review’s conclusion**

Accepted.

The Commission is currently undertaking an options analysis for the long-term use of the Pierhead building. The results of that work will be subject to internal review and decision-making processes. If any further substantive work is deemed necessary as a result of this initial work, it will be fed into the budget process for 2026-27. We would be happy to provide an update to the Committee on this matter as part of the Commission’s 2026-27 Draft Budget submission to the Committee.

**Recommendation 12 – The Committee recommends that the Senedd Commission provides updates on developments relating to pay agreements for Commission staff in 2025-26 and, if the pay awards are above the five per cent figure included in the Draft Budget, the Commission provides and explanation of how these payments will be funded**

Accepted.

The Commission has agreed in principle, to a 5% uplift for Commission staff that is in keeping with both the Civil Service Pay Remit recommendation and the pay award for Welsh civil servants, as part of the 2025-26 Commission budget strategy development process.

**Recommendation 13 – The Committee recommends that the Senedd Commission shares details of its benchmarking exercise with senior management staffing structures in other UK parliaments with the Committee**

Accepted.

A brief overview of parliamentary management structures and organisation design was conducted by the research service in Spring 2024. The resulting report found that how services and functions are structured vary across different parliaments and are subject to incremental or wholesale changes across the lifespan of a parliamentary term to reflect changing priorities, therefore making comparisons or benchmarking difficult. The details of the benchmarking review will be shared with the Committee (attached with this letter)

That said, most parliamentary functions tend to coalesce around business/Member facing functions, and resource/corporate related functions. Grading and pay scales for staff are also different across



parliaments which makes direct comparisons difficult, but functions tend to have broadly similar levels of seniority e.g. a lead committee clerk, team leader/senior researcher, senior communications and engagement professionals will have broadly the same level of seniority across parliaments.

There is broad similarity across parliamentary administrations in having an Executive or Management Board responsible for strategic and operational leadership. There is some consistency in terms of the composition of the boards and there are variations you would expect to see in the numbers on each board according to individual organisational history, complexity, size and needs.

**Recommendation 14 – The Committee recommends that the Senedd Commission provides an update to the Committee on its plans for Artificial Intelligence software by the beginning of the 2025-26 financial year and sets out the governance arrangements and ethical considerations underpinning its use by Members, support staff and Commission staff**

Accepted.

Over the past 18 months, the Senedd Commission has been evaluating how generative AI tools can be utilised to assist parliamentary work, while also addressing the opportunities and mitigating the risks associated with these technologies.

As a relatively young, digitally-driven Parliament, we are actively exploring AI tools within the existing Microsoft environment. Consultations have been held with party groups to share our findings, and regular meetings are conducted with a smaller group of Members to incorporate their perspectives and ideas into our planning process.

Two working groups (an AI Governance Group and an AI Opportunities Group) have been established to adopt a thoughtful and responsible approach towards the use of AI. These groups acknowledge the potential benefits in terms of improving efficiency and productivity, as well as enabling new capabilities and insights. They also recognise the significant risks related to copyright, bias, privacy, ethical considerations, security risks, disinformation, and lack of transparency among other concerns.

A proposal has also been agreed upon to consider this risk as a Corporate Risk. Additionally, an AI Policy has been developed to provide guidance on the safe and appropriate use of AI.

**Recommendation 15 – The Committee recommends that the Senedd Commission continues to monitor changes in staff wellbeing through staff surveys and provides the Committee with updates on the results of those surveys and the actions taken to mitigate pressures on staff ahead of the election in 2026.**

Accepted.



The Commission will continue to conduct its wellbeing survey of Commission staff, which covers the four pillars of wellbeing (i.e. physical, mental, financial and connectivity) and will provide an update to the Committee with a summary of its findings relating to this financial year once it is available. The latest staff survey has just been closed this month and the Commission will update the Committee on the results once they have been analysed and released.

**Recommendation 16: The Committee recommends that the Senedd Commission provides a list of planned projects for 2025-26, with estimated allocated funding, before the start of the 2025-26 financial year and for such an approach to be adopted for future budgets**

Accepted.

The Commission will provide this list prior to the start of the financial year including allocated funding where this is not commercially sensitive (in some instances releasing budgets into the public domain would create the risk of compromising the ability of the Commission to achieve value for money by providing indicative budgets to the market).

**Recommendation 17 – The Committee recommends that the Senedd Commission provides the Committee with details of its long-term project plans up to 2032, including estimated costs of individual projects, if known.**

Accepted.

The most significant Commission project out to 2032 is the Cardiff Bay 2032 project which will deliver the future accommodation needs of the Senedd beyond the current Tŷ Hywel lease ending. One further area of significant activity planned to be delivered between now and 2032 is the:

- **Commission Insourcing Project** - The Commission, at its meeting, on 6 November 2023, following consideration of future options regarding the provision of catering services, agreed that the Commission's core preference is for services to be delivered in-house, wherever practicable, and asked officials to undertake a piece of work to explore the implications of this statement of principle. At its 29 April 2024 meeting the Commission agreed, following the completion of a strategic scoping exercise that its preferred position would be to make a 'hard' commitment in principle to progress the Commission Services Insourcing Project, and this work would commence mid-way through the next Senedd. This is a very significant and complex project that would involve the phased in-housing of 4 services (facilities, catering, cleaning, broadcasting) and a likely increase in the Commission's baseline costs. The full implications and costs will be established as the project progresses through its planning phases.



Huw Irranca-Davies AS/MS  
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros  
Newid Hinsawdd a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for Climate  
Change and Rural Affairs



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: HIDCC/PO/0313/24

The Rt. Hon. Elin Jones  
Llywydd  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

6 November 2024

Dear Elin,

I am writing to let you know about several minor and consequential legislative provisions relevant to the Senedd Commission that the Welsh Government proposes to take forward (please see attached table).

We intend to ask the UK Government to make such changes by way of an order under section 150 of the Government of Wales Act 2006 (“the 2006 Act”).

A s. 150 order enables the Secretary of State to make any provision in legislation (subject to some qualifications) which is considered appropriate in consequence of Welsh legislation and where it would be outside the legislative competence of the Senedd to do so. A s. 150 order may be required either because the provisions relate to reserved matters and/or because the proposed changes require UK-wide extent.

### **Senedd and Elections (Wales) Act 2020**

The attached table sets out various provisions of the Senedd and Elections (Wales) Act 2020 (“SEWA 2020”) which the Welsh Government proposes seeking a s. 150 order in relation to. We would welcome any comments you have on this list.

I would also like to draw the following specific issues to your attention:

Retrospectivity: We are of the view that, due to the constitutionally significant nature of the changes made by SEWA 2020, the provisions identified for inclusion in the order should have retrospective effect. There is specific power in s. 150(4) of the 2006 Act to make provision retrospectively. However, whether or not the order is made with retrospective effect is a matter for the UK Government.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Huw.Irranca-Davies@llyw.cymru](mailto:Gohebiaeth.Huw.Irranca-Davies@llyw.cymru)  
[Correspondence.Huw.Irranca-Davies@gov.wales](mailto:Correspondence.Huw.Irranca-Davies@gov.wales)

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.

We have not identified any specific issues in the potential retrospective effect of these provisions; however, it is our intention to seek an appropriate 'savings' provision to ensure that any act done in reliance on the provision/s as amended by SEWA 2020 prior to the s. 150 order (i.e., before the extent of the provision is broadened) would not be affected by the subsequent retrospective effect of the s. 150 order. Again, whether or not this is included would also ultimately be a decision for the UK Government.

If you are aware of any issues as a result of the retrospective effect of these proposed amendments, we would be grateful if you could bring these to our attention.

s. 36 Timing of first meeting of the Senedd after a general election: This section contains amendments to sections 3, 4, and 5 of the 2006 Act. S. 36 currently only extends to England & Wales and therefore amendments made by s. 36 have only become part of the law of England & Wales.

We do not propose to include this section in the list of provisions for inclusion within the s. 150 order, but we would welcome your views on whether you consider it necessary to ensure the amendments made by this section also extend to the whole of the United Kingdom by seeking its inclusion.

s. 37 Powers of the Senedd Commission: provision of goods and services: This section contains amendments to Schedule 2 paragraph 4(4) of the 2006 Act. This amendment inserts a specific power – sub-para. (4A) – to allow the Senedd Commission to charge for goods and services. This specific power did not previously exist.

As with s. 36, s. 37 currently only extends to England & Wales and therefore the amendments made by s. 37 have only become part of the law of England & Wales. Whilst the change of name across the 2006 Act from 'National Assembly for Wales' to 'Senedd Cymru' will extend to the whole of the United Kingdom by virtue of paragraph 2 of Schedule 1 of the 2020 Act being included in the list of provisions for inclusion within the s. 150 order, the specific amendment to paragraph (4) and (4A) of Schedule 2 will not.

We would therefore welcome your views in respect of s. 37 of the 2020 Act and whether it is necessary for this section to be included in the s. 150 order to ensure the amendment made to paragraph (4) and (4A) also extend to the whole of the United Kingdom.

## **Public Services Ombudsman (Wales) Act 2019**

As the Public Services Ombudsman (Wales) Act 2019 ("PSOW 2019") was a committee sponsored Bill, I would like to also make you aware of two minor legislative amendments we have identified as appropriate in consequence of that Act. The first (amendment to the Public Services Ombudsman Act (Northern Ireland) 2016) is appropriate for inclusion in the proposed s. 150 order. The second (amendment to the Scottish Public Services Ombudsman Act 2002) is for discussion with the Scottish Government as it falls within the competence of the Scottish Parliament.

In the spirit of the Welsh Government's commitment to improving the accessibility of Welsh law as set out in 'The Future of Welsh Law Programme 2021 – 2026', these minor legislative amendments have been identified to ensure references to the current legislative framework are accurate. The Public Services Ombudsman for Wales has been made aware of these proposals and is content with the potential amendments.

I am copying this letter to the Chairs of the Legislation, Justice, and Constitution Committee, and the Finance Committee.

Yours sincerely,

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name 'Huw Irranca-Davies'.

**Huw Irranca-Davies AS/MS**

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd  
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

**Section 150 Order GoWA 2006 – Summary of Proposals 2023 – Senedd Commission**  
**Public Services Ombudsman (Wales) Act 2019 & Senedd and Elections (Wales) Act 2020**

1.	2.	3.
<b>Senedd<sup>1</sup> legislation: title and provision/s</b>	<b>Principal Legislation: provision that is affected by Senedd legislation</b>	<b>Brief explanation as to why a s. 150 order is needed</b>  <b>i.e. ‘Extent: requires UK wide extent’.</b>
<b>Senedd and Elections (Wales) Act 2020 (“SEWA”)</b>  <b>Part 2 (Renaming of the NAW etc.)</b>	<b>GOWA 2006:</b> s. 1(1) s. 107(1) s. 1 (2A) new sub-section (2A) created by s. 4 SEWA  s. 26(2) s. 27(1)	<b>Extent: requires UK wide extent.</b> The textual amendments made to the GOWA by the SEWA e.g. change of name to Senedd Cymru, currently only extend to England and Wales.  <i>Consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i>

Pack Page 20

<sup>1</sup> Prior to 6 May 2020 read as National Assembly for Wales.

<p><b>Schedule 1</b></p> <p><b>Para. 1</b></p>	<p><b>Freedom of Information Act 2000 (c 36) Part 6 of Schedule 1</b></p>	<p><b>Extent: requires UK wide extent.</b></p> <p>The textual amendments made by SEWA to the FOIA 2000 only extend to England &amp; Wales. The FOIA 2000 has UK wide extent and these amendments are included in the s. 150 Order so that they can 'extend' to Scotland and Northern Ireland.</p> <p><i>Consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i></p>
<p><b>Para. 2</b></p>	<p><b>Government of Wales Act 2006 (c 32)</b></p>	<p><b>Extent: requires UK wide extent.</b></p> <p><i>Consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i></p>
<p><b>Para. 5</b></p>	<p><b>Legislation (Wales) Act 2019</b></p>	<p><b>Extent: requires UK wide extent.</b></p> <p><i>Consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i></p>
<p><b>Part 3 (Elections) Schedule 2</b></p>	<p>Amendment to para 14(1)(c) of Schedule 1 to the <b>Political Parties, Elections and Referendums Act 2000</b> to change the name from NAW to Senedd.</p>	<p><b>Extent: requires UK wide extent</b> to give effect to the name change beyond England and Wales.</p> <p><i>Consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i></p>

<p><b>Part 5 (Miscellaneous)</b></p> <p><b>s. 36 Timing of first meeting of the Senedd after a general election</b></p>	<p>Ss 3, 4, and 5 GOWA 2006.</p>	<p><b>Extent: May require UK wide extent</b></p> <p><b>Not currently included in the draft order</b></p> <p><i>If provision is included - consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i></p>
<p><b>s.37 Powers of the Senedd Commission: provision of goods and services</b></p>	<p>Schedule 2, para. 4(4) GOWA 2006.</p>	<p><b>Extent: May require UK wide extent</b></p> <p><b>Not currently included in the draft order</b></p> <p><i>If provision is included - consider making provision with retrospective effect in reliance on s. 150(4) due to the constitutionally significant nature of these amendments.</i></p>
	<p><b>House of Commons Disqualification Act 1975</b> Schedule 1</p>	<p><b>Reserved matter</b></p> <p><i>Insert "Senedd Commissioner for Standards"</i></p>
	<p><b>Employers' Liability (Compulsory Insurance) Regulations 1998</b> Schedule 2 paragraph 20</p>	<p><b>Reserved matter and extent</b></p> <p><i>For "The National Assembly for Wales Commissioner for Standards" substitute "The Senedd Commissioner for Standards".</i></p>

	<b>Scottish Parliament (Disqualification) Order 2020</b> Schedule 1 Part 1	<b>Reserved matter and extent</b>  The 2020 Order is an Order in Council made under the Scotland Act 1998 which is an Act of the UK Parliament with UK wide extent, however it is classified as a Scottish SI.  <i>Insert "Senedd Commissioner for Standards"</i>
--	---	---

<b>Public Services Ombudsman (Wales) Act 2019</b>  No provision made but required in consequence of the 2019 Act.	<b>Public Services Ombudsman Act (Northern Ireland) 2016</b> s.51 (co-operation with other ombudsmen).	<b>Reserved matter and extent:</b> Textual amendment required. S.51(4)(d) to ensure the NI PSO can consult and co-operate with the PSOW replace reference to the 2005 Act with the 2019 Act.  Out of date reference to - <i>"Public Services Ombudsman for Wales under the Public Services Ombudsman (Wales) Act 2005"</i> .
	<b>Scottish Public Services Ombudsman Act 2002</b> section 21(1)(c)	<b>Devolved to Scotland and outside SoS's powers under s. section 150(3) of GOWA 2006</b> <i>("An order under this section may not make provision with respect to matters within the legislative competence of the Scottish Parliament")</i> .  Out of date reference to - <i>"Public Services Ombudsman for Wales under the Public Services Ombudsman (Wales) Act 2005"</i> . <i>The Scottish Government may wish to amend.</i>

# Agenda Item 2.3

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

12 November 2024

Dear Peredur,

## Welsh Language and Education (Wales) Bill

I am writing to you following my attendance at your Committee on 23 October, to provide evidence in relation to the Welsh Language and Education (Wales) Bill. I trust the Committee found the session to be informative.

At the Committee I undertook to providing further information to:

- clarify the cost of late immersion education and when in the appraisal period these costs will fall; and
- in relation to support and funding for the provision of Welsh language learning outside of schools, following the discussion about youth services.

### Cost of late immersion education

In the Regulatory Impact Assessment's (RIA) narrative, late immersion costs (Table 8) and workforce costs (Table 7) are discussed together. Workforce costs will fall between years 3-10. This is noted in Table 7 and is aligned with the overall cost table (Table 18). Late immersion costs should fall between years 4-10. The cost estimate is correctly based on years 4-10, which is aligned with the overall cost table (Table 18). However, there is a typographical error in Table 8 – 'years 2-10' should read 'years 4-10'. My officials will correct the RIA before it is laid before the Senedd prior to Stage 3 proceedings.

### Support and funding for the provision of Welsh language learning outside of schools

The Welsh Government supports and encourages a number of networks to offer opportunities for children and young people to use the Welsh language outside the school setting. At the Committee Members referred to opportunities provided via youth work and the Mentrau Iaith.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Rydym yn ategu gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Back Page 24

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding

Pwyllgor Cyllid / Finance Committee  
FIN(6)-26-24 P3

Youth work has a vital role to play in enabling all young people to use their Welsh with their peers in the community and online, building young people's confidence in using more of their Welsh. The Cabinet Secretary for Education recently published proposals for a new statutory framework for youth work in Wales. These proposals include a new youth work entitlement for young people, including clear expectations for youth work delivered in Welsh, as well as a revised strategic planning and reporting mechanism for youth work. There are clear links between these planning and reporting mechanisms and the proposals set out in the Bill, and these will need to be realised in order to provide rich opportunities for young people to use and enjoy the language.

The network of Mentrau Iaith provide a wide range of activities and support to help children and young people to use the Welsh language in informal settings, outside school. These activities include live music events, theatre workshops, sports and nature activities as well as numerous cultural and art activities. It is a requirement that all of the recipients of the grant to promote and facilitate the use of the Welsh language work closely together to plan and support and complement each other's work on a local basis. These discussions are undertaken in language forums which are mainly held in each local authority area. The Welsh Government provides a core grant of £2.4m to Mentrau Iaith Cymru.

Additionally, we provide annual grant funding of almost £125,000 to Wales' Young Farmers Clubs to create Welsh-medium activities for young people. These activities include a variety of agricultural and non-agricultural programs and events, such as the national Young Farmers Eisteddfod and local rallies. We also collaborate with a range of other external organisations across the youth work sector to promote the use of Welsh in youth work throughout Wales, providing more opportunities for young people to use Welsh within their communities.

I have also taken the opportunity in writing to you to clarify further matters, which were raised at the Committee session on 23 October:

- (i) Paragraphs 58 and 59 of the transcript state:

*Mike Hedges: Diolch, Cadeirydd. The RIA sets out transitional costs in Parts 1 to 5 of the Bill, which relate to Welsh Government staff time. Is it going to be new staff or is it opportunity costs of existing staff doing something different?*

*Mark Drakeford: These are opportunity costs.*

I wish to clarify that there are some additional Welsh Government staff costs in relation to Part 5 of the Bill, it is a transitional cost for staff who will be working on establishing the new body. These costs are outlined in Tables 15 and 16 of the RIA.

- (ii) Paragraphs 87 and 88 of the transcript state:

*Peredur Owen Griffiths: When it comes to workforce planning—and you've made the assumption that the headteacher will be doing this—and when it comes to additional support within the implementation of this, can you talk a little bit about how you've costed that into the RIA? And is most of it going to come from existing staff, or are you looking at creating new roles that will help support, or help with that workforce pressure?*

*Mark Drakeford: Well, the workforce pressure at the school level, Chair—we*

*assume, as I said, that all the help that is currently available within the system will continue. And there are a whole series of programmes that the Welsh Government already provides, primarily through my colleague Lynne Neagle. So, we have costed into the RIA the cynllun pontio. We have included the Welsh-medium workforce capacity development grant. We have included our plans—or the Cabinet Secretary's plans—to introduce a teacher retention bursary in the Welsh language field. We've assumed that the Open University's work—which is another way in which we are able to widen the pool of people who can come into the profession—continues.*

The wider programmes referenced in my contribution above are programmes that the Welsh Government already provides. Therefore, these costs have not been included in the RIA as these costs do not arise from the provisions of the Bill. The key workforce language support elements costed within the RIA are the current sabbatical scheme and the grants to the National Centre for Learning Welsh which relate to school practitioners. These equal £4.37m per annum.

I thank the Committee for their interest in this Bill and look forward to considering the Committee's report, in due course.

I am copying this letter to Buffy Williams, Chair of the Children, Young People and Education Committee.

Yours sincerely,



**Mark Drakeford AS/MS**

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language

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

Agenda Item 2.4



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA/MDFWL/10705/24

Peredur Owen Griffiths MS  
Chair  
Finance Committee

15 November 2024

Dear Peredur

In line with established practice, I intend to publish a Second Supplementary Budget for 2024-25. This letter is advanced notice of my intention which will allow you to plan for the appropriate scrutiny.

The main purpose of the Second Supplementary Budget will be to formally reflect budgetary changes since the First Supplementary Budget 2024-25, which was published by the Welsh Government in October. It will set out agreed allocations from our reserves, transfers between Welsh Government portfolios, transfers with UK Government Departments and will include revised Annually Managed Expenditure forecasts. It will also include revisions to forecasts of devolved taxes, the Block Grant Adjustment, funds drawn from the Wales Reserve, and proposed borrowing from the National Loan Fund.

I intend to table the Second Supplementary Budget for 2024-25 on 18 February to allow for a debate on 18 March, following a period of three sitting weeks for scrutiny under Standing Orders recognising the Spring Half Term recess.

I hope you find this update helpful.

Yours sincerely,

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

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff

[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)

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.

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.

# Agenda Item 2.5

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  
Cardiff  
CF99 1NA  
[SeneddFinance@senedd.wales](mailto:SeneddFinance@senedd.wales)

25 November 2024

Dear Peredur,

I am pleased to enclose the Government's response to the recommendations contained in the Finance Committee's report on Fiscal Intergovernmental Relations.

Yours sincerely,

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

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Mark.Drakeford@gov.wales](mailto:Correspondence.Mark.Drakeford@gov.wales)  
[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)

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.



# Finance Committee report: Fiscal Intergovernmental Relations

## Welsh Government Response

25/11/2024

In October 2024, the Finance Committee submitted its report on Fiscal Intergovernmental Relations following an inquiry. The report includes 18 recommendations. This is the Welsh Government's response to those recommendations.

# Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Response to the 18 recommendations .....</b>	<b>4</b>
Recommendation 1 .....	4
Recommendation 2 .....	4
Recommendation 3 .....	4
Recommendation 4 .....	6
Recommendation 5 .....	6
Recommendation 6 .....	7
Recommendation 7 .....	8
Recommendation 8 .....	9
Recommendation 9 .....	10
Recommendation 10 .....	10
Recommendation 11 .....	11
Recommendation 12 .....	11
Recommendation 13 .....	11
Recommendation 14 .....	12
Recommendation 15 .....	13
Recommendation 16 .....	14
Recommendation 17 .....	14
Recommendation 18 .....	15

## 1. Introduction

Since the start of this Inquiry, there has been a change in UK Government following the UK general election. This has provided an opportunity to re-set relations and begin a new era of partnership, with two governments working together on a shared vision for Wales' future. The starting point for this partnership must be rooted in intergovernmental relations founded on mutual respect and a commitment to repair and extend devolution.

The Welsh Government continues to believe that the Review of Intergovernmental Relations, agreed in January 2022, can provide the machinery needed to bring the governments of the UK together - to discuss the right things, at the right times.

The Welsh Government looks forward to working with the new UK Government and addressing together the many challenges Wales and the rest of the UK face.

With a joint focus on renewing public services, securing sustained economic growth and accelerating to net zero, through a new approach that backs Wales's green growth potential, barriers can be removed, to unlock more ambitious opportunities, creating a fairer society.

The Cabinet Secretary for Finance and Welsh Language thanks the members of the Finance Committee for their report on Fiscal Intergovernmental Relations. He has set out his response to the Report's individual recommendations below.

## 2. Response to the 18 recommendations

### Recommendation 1

The Committee recommends that the Treasury should, as a matter of principle, differentiate between devolved governments and UK Government departments when making funding allocations and in sharing fiscal information ahead of announcements, as a way of respecting the constitutional realities of the UK that would strengthen intergovernmental relations and make processes more effective and transparent.

#### Response:

The recommendation is for HM Treasury.

**Financial Implications:** None. Able to take forward within existing resources.

### Recommendation 2

The Committee recommends that the Welsh Government should press the UK Government to develop legislative proposals, in consultation with the devolved governments and parliaments, to place intergovernmental relations on a statutory basis, in accordance with the recommendation of the Independent Commission on the Constitutional Future of Wales.

#### Response: Accept.

The Welsh Government accepted the recommendation of the Independent Commission on the Constitutional Future of Wales, noting that statutory underpinning for intergovernmental relations would be an important step in addressing the fragility and variability of current arrangements. This is naturally a four-nation issue, which will require discussion with the Scottish Government, Northern Ireland Executive and the UK Government. As a first step, the Welsh Government will work with the new UK Government to repair and strengthen devolution and renew intergovernmental relations. The Prif Weinidog was pleased to attend the first meeting of the Council of the Nations and Regions in October, and the Welsh Government looks forward to working with partners to build new opportunities to the benefit of Wales and the whole of the United Kingdom.

**Financial Implications:** None. Able to take forward within existing resources.

### Recommendation 3

The Committee recommends that the Cabinet Secretary pursues the following changes so that:

- the Finance Interministerial Standing Committee becomes the most appropriate platform for the Treasury to share financial information to the devolved governments, in confidence if necessary, in advance of fiscal announcements;
- the rules and processes of the Finance Interministerial Standing Committee are developed to ensure that they are sufficiently robust and to reduce the discretion currently afforded to the Chief Secretary to the Treasury in its ways of working;
- the dates of Finance Interministerial Standing Committee meetings for the year ahead are agreed with finance ministers from the devolved governments in a timely manner; and
- updates are provided to the Committee on progress in these areas.

**Response:** Accept.

The terms of reference<sup>1</sup> of the Finance: Interministerial Standing Committee (F:ISC) include 'consideration of emerging economy and finance issues and longer-term challenges that affect all governments, where collaboration and sharing of information supports planning, policy development and decision-making'. Whilst the F:ISC is the most appropriate platform for HM Treasury to share financial information to the devolved governments, in confidence, if necessary, it is not always practically possible to arrange meeting dates to coincide with when that information is available. There is however a facility to arrange exceptional meetings which has been used. Information can also be provided in a co-ordinated way on a bilateral basis.

A regular review of the F:ISC Terms of Reference is undertaken every 18 months to ensure the rules and processes are sufficiently robust. The next review is due to take place in the New Year.

The Welsh Government continues to pursue a schedule of meeting dates for the year ahead and the Cabinet Secretary for Finance and Welsh Language will raise this again when he hosts the F:ISC early next year.

As set out in the Inter-institutional relations agreement between the Welsh Government and the Senedd, the Cabinet Secretary for Finance and Welsh Language will inform the Finance Committee in advance of F:ISC meeting dates and agendas, and provide an update on discussions. As the Cabinet Secretary for Finance and Welsh Language's predecessor did last time the Terms of Reference were reviewed, he will also provide an update to inform the Committee of any changes.

**Financial Implications:** None. Able to take forward within existing resources.

---

<sup>1</sup> [Terms of Reference for the Finance Interministerial Standing Committee - GOV.UK](#)

**Recommendation 4**

The Committee recommends that the Cabinet Secretary continues to engage with the UK Government to advocate for a needs-based funding mechanism to ensure fairer funding for Wales and provides an update to the Committee on progress.

**Response:** Accept.

The Welsh Government has consistently made the case that resources should be allocated across the UK on the basis of relative need. As set out in 'Reforming our Union: Shared governance in the UK' (June 2021), the Welsh Government proposes that operation of the devolved resourcing arrangements, including determinations of devolved governments' spending power and borrowing limits, should be the responsibility of an independent public body accountable to all four administrations jointly. This would secure the legitimacy of the fiscal framework across the UK.

Spending power for the devolved governments should be determined, having regard to proposed levels of spending for England, by reference to a set of agreed objective indicators of relative need, so that spending power is fair across the different governments and an equivalent level and quality of public goods can be delivered in all parts of the UK.

The UK Government should not be able to arbitrarily allocate additional funding to any particular part of the UK outside these arrangements, or to create new UK-wide spending programmes in areas of devolved responsibility without the consent of the respective devolved governments.

The Barnett formula should be replaced, and a new relative needs-based system, implemented within a comprehensive and consistent fiscal framework to which all Governments in the UK agree.

**Financial Implications:** None. Able to take forward within existing resources. If a needs-based funding mechanism was introduced, the Welsh Government would not expect the funding Wales receives to be reduced.

**Recommendation 5**

The Committee recommends that the Cabinet Secretary presses the UK Government for action to ensure that:

- the dates for UK fiscal events are published well in advance to enable the Welsh Government to plan its budget more effectively; and
- more consideration is given by the UK Government to the Senedd's budgetary timetable when planning UK fiscal events, and when making

announcements at short-notice outside of planned UK fiscal events; and provides an update to the Committee on progress in these areas.

**Response:** Accept.

While the timing of UK fiscal events is a matter for the UK Government, the Welsh Government continues to highlight the importance of providing the devolved governments with greater certainty and clarity in relation to the timing of UK fiscal events, given the impact this has for their respective budget planning and procedures – including impacting scrutiny time of their respective legislatures

The timing of such events can cause the Welsh Government challenges as seen with the UK Spring Budget (6 March 2024) which occurred the day after the Welsh Government's Final Budget was approved by the Senedd (5 March 2024).

The Welsh Government has consistently pressed the UK Government for a clearer and more predictable timetable for its fiscal events through the appropriate channels, including the FISC and bilateral meetings with the Chief Secretary to the Treasury.

In July, the Chancellor confirmed that moving forward there will be a single UK fiscal event each year and there would be a return to rolling programme of multi-year spending settlements which will provide stability for the public finances and much needed certainty for public and third sector partners in Wales going forward.

The Welsh Government will continue to use the appropriate channels to ensure HM Treasury is aware of the implications of timing of UK Fiscal events on the Welsh Government budget process.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 6**

The Committee recommends that the Cabinet Secretary presses the UK Government for action so that:

- the Welsh Government has greater engagement with and influence on UK Spending Reviews; and
- multi-year spending reviews are delivered as a matter of course to provide greater funding certainty to the Welsh Government at an earlier stage; and provides an update to the Committee on progress in these areas.

**Response:** Accept.

As outlined in the response to recommendation 5, the timing of UK Fiscal events is a matter for UK Government. One of the first steps taken by the Chancellor was

to confirm a rolling approach to future spending reviews will be adopted whereby the UK Government will review its spending plans every two years to ensure no future cliff edge for annual settlements. This will support planning of future Welsh Government budgets and of its partner organisations.

The current Spending Review is taking place in two phases. Phase 1 concluded at the UK Autumn Budget and provided the Welsh Government with its settlement for 2025-26. There has been a willingness from the new UK Government to listen and engage with the devolved governments. This has been illustrated through the earlier sharing of information and a significant increase in public spending and capital investment in the UK Budget. The UK Budget also delivered Welsh Government priorities including an investment of £25m in coal tip safety, an £80m commitment to support the work of the Tata Steel Transition Board and delivering the next stage of the Celtic Freeport.

The Welsh Government has also had early, positive engagement with UK Government on the development of a UK wide Industrial Strategy, a 10-year plan which aims to encourage growth and create jobs by providing businesses with the stability and certainty they need to invest.

The Welsh Government will continue to work with the UK Government as plans for phase 2 of the Spending Review progress. The Welsh Government is in discussions with the UK Government in relation to securing additional budget flexibilities, fair rail investment and establishing the financial framework for post-2026 replacement EU funds, including Shared Prosperity Fund and Levelling Up funding. A full review of the UK Statement of Funding Policy will also be undertaken in Phase 2 of the UK Spending Review which will conclude in late spring. The Cabinet Secretary for Finance and Welsh Language will keep the Committee informed of progress.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 7**

The Committee recommends that the Cabinet Secretary calls for annual and in-year Treasury funding announcements to be:

- less ad hoc; and that information impacting on Welsh Government tax and budgetary policy is shared prior to UK fiscal events on a confidential basis;
- more transparent in terms of whether they are funded with new money or through savings or reprioritisation exercises undertaken by UK Government departments to enable Barnett consequentials to be calculated; and
- provides an update to the Committee on progress in these areas.

**Response:** Accept.

It is important that the Welsh Government understands any changes at UK fiscal events to its budgets and reserved taxes or the equivalent taxes to its devolved taxes as early as possible, in order that it can consider the implications for its budget and the tax landscape in Wales.

The Welsh Government has consistently made the case for earlier, and more scheduled, sharing of information impacting on Welsh Government tax and budgetary policy prior to UK fiscal events. Ahead of the UK Budget the Cabinet Secretary for Finance and Welsh Language met with the Chief Secretary alongside the other UK Finance Ministers at the F:ISC on 3 October and separately in a bilateral to discuss Wales specific matters. They also held a short call on the morning of the Budget.

The Chief Secretary has confirmed he has sought to provide information on the potential changes to the Welsh Government budget at a point much earlier than has recently been the case and changes to the Welsh Government settlement have been confirmed as far as possible within the Autumn Budget.

Clarity around whether UK Government announcements are funded through new funding or through existing funding is important to enable the Welsh Government to fully understand the implications for its budget. Welsh Government officials have a good working relationship with HM Treasury officials, which enables the timely sharing of information in this respect, although the nature of the UK Budget arrangements mean that it is not always clear until later in the process whether some initiatives will be funded through new money are from within current budgets.

The Cabinet Secretary for Finance and Welsh Language will keep the Finance Committee informed of progress in these areas through the usual engagement.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 8**

The Committee recommends that the Cabinet Secretary takes action to ensure that the Welsh Government is engaged in the development of future Statement of Funding Policy (SoFP) documents to mitigate project categorisation issues.

**Response:** Accept in principle.

The Statement of Funding Policy (SoFP)<sup>2</sup> is a HM Treasury published document. The Welsh Government will continue to use the appropriate channels to encourage engagement and seek to influence the development of the policy.

---

<sup>2</sup> [Statement\\_of\\_Funding\\_Policy\\_addendum.pdf](#)

An addendum to the SoFP was published alongside the UK Budget on the 30 October. The addendum was a factual update reflecting changes since the last SoFP publication. Prior to the publication of this addendum there was an officials' meeting to discuss and a draft was shared in advance for devolved governments to comment.

A full review of the SoFP will take place as part of phase 2 of the Spending Review. HM Treasury has requested the Welsh Government's views, and the Welsh Government expects them to establish a working group with devolved governments shortly to take forward this work.

As outlined in recommendation 9, HM Treasury includes a comparability schedule in the Statement of Funding Policy. The Welsh Government remains in discussions with the UK Government on the issue of rail funding and investment. The Welsh Government wants to ensure a fair approach to the application of Barnett, and as part of this it would welcome a review of comparability with the Department for Transport and of the Rail Network Enhancement Pipeline process.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 9**

The Committee recommends that the Cabinet Secretary calls on the Treasury to publish detailed workings alongside its funding announcements to improve transparency around devolved funding and project categorisation, to ensure that such decisions are taken on the basis of clear principles and provides an update to the Committee on progress.

**Response:** Accept.

HM Treasury includes a breakdown of funding changes in its Block Grant Transparency document, last published in July 2023. Transparency would be improved if this document were updated in a more regular and timely fashion. HM Treasury also includes a comparability schedule in the UK Statement of Funding Policy, showing how the Barnett formula comparability factor for each UK Government department is derived. The comparability schedule was updated in the addendum to the UK Statement of Funding Policy published alongside the UK Government's October 2024 Budget.

**Financial Implications:** None.

### **Recommendation 10**

The Committee recommends that the Cabinet Secretary presses the Treasury to provide credible evidence for using the Central Reserve when this results in

funding outcomes that circumvent the Barnett formula and provides an update to the Committee on progress.

**Response:** Accept.

The UK Statement of Funding Policy (November 2023) sets out the situation in relation to the UK Reserve in paragraphs 8.7 to 8.11. In general, claims on the UK Reserve by devolved governments are judged using the same criteria as for UK Government departments. There is no automatic application of the Barnett formula to Reserve claims by departments of the UK Government, but the Barnett formula may apply if it is judged the devolved governments face comparable pressures. As noted above, and consistent with 'Reforming our Union: Shared governance in the UK' (June 2021), it is the Welsh Government's position that the UK Government should not be able to arbitrarily allocate additional funding to any particular part of the UK outside normal arrangements.

**Financial Implications:** None.

### **Recommendation 11**

The Committee recommends that the Cabinet Secretary calls on the UK Government to implement a funding guarantee similar to the Barnett guarantee introduced during the Covid pandemic to provide a degree of certainty regarding devolved funding available and provides an update to the Committee on progress.

### **Recommendation 12**

The Committee recommends that the Cabinet Secretary continues to press the UK Government so that the Welsh Government has the ability to switch capital funding to resource and provides an update to the Committee on progress.

### **Recommendation 13**

The Committee recommends that the Cabinet Secretary continues to press the UK Government for flexibility for the Welsh Government to manage funding increases confirmed after an autumn fiscal event across financial years and provides an update to the Committee on progress.

**Grouped Response to Recommendations 11-13:** Accept.

The limited budgetary flexibilities currently available to the Welsh Government constrain its ability to respond quickly to emerging needs and present several challenges, including difficulty in using large, unexpected allocations before the end of the financial year in ways which maximise value for money, and in managing unexpected cuts, leaving it dependent on decisions made by the UK Government and exposed to the impact of the timing of those decisions.

The Welsh Government is pressing the UK Government to improve its current fiscal flexibilities and, along with the other devolved governments, is seeking to develop proposals that will improve in-year budget management arrangements, including a solution similar to the COVID Guarantee when making decisions that potentially involve the allocation of substantial sums of money in-year, and full flexibility to make a capital to resource switch or carry any additional funding or reductions forward to manage in the next financial year, where funding is announced after an Autumn fiscal event

The current process for capital to resource switches does not take account of devolved governments' specific needs. There needs to be a process in place that is appropriate to meet the needs of the devolved governments and respects the roles of the devolved parliaments.

These mechanisms would not be necessary if the Welsh Government was provided with sufficient budgetary flexibilities to manage its own resources. Removing all constraints on Welsh Government budget management would allow the Welsh Government to receive its block grant each year without restrictions on carrying funds forward or drawing from previous savings. It could also mean the freedom to switch funds between capital and resource budgets.

Ensuring the devolved governments have appropriate budgetary flexibilities has been raised at recent meetings of the F:ISC meeting and is due to be discussed again at the next meeting scheduled for January. The Cabinet Secretary for Finance and Welsh Language will keep the Finance Committee informed of progress in these areas.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 14**

The Committee recommends that the Cabinet Secretary calls on the UK Government to extend the scope for devolved governments to raise a funding dispute, given that such disputes may only be raised if a principle of the Statement of Funding Policy has been breached and provides an update to the Committee on progress.

**Response:** Accept.

The joint Review of Intergovernmental Relations established structures and processes to enable meaningful engagement, and a mechanism that affirms each government's right to refer and escalate a dispute.

In reviewing the F:ISC Terms of Reference in 2023, the dispute mechanism was strengthened, clarifying the process of the appointment of an independent chair

in the event of a dispute and timescale for a Ministerial meeting, to ensure disputes are addressed in a timely manner.

The F:ISC terms of reference are due to be reviewed again in the Spring, this recommendation will be pursued as part of the review. Update on progress will be fed back to the Committee.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 15**

The Committee recommends that the Cabinet Secretary continues to pursue with the UK Government that a review is undertaken on the Welsh fiscal framework and that the framework should be amended in line with the Scottish fiscal framework, including:

- linking index borrowing and overall reserve limits to inflation;
- abolishing reserve draw-down limits;
- increasing capital borrowing limits; and
- that the Committee is updated on the outcome of those discussions

**Response:** Accept.

The UK Labour Manifesto recognised that the Welsh Fiscal Framework is out of date. The Welsh Government has long argued that resources should be allocated across the UK on the basis of relative need, as set out in Reforming the Union; however, the Welsh Government's priority in the near term is to ensure the current funding arrangements deliver for Wales.

The Prif Weinidog and the Cabinet Secretary for Finance and Welsh Language have had a series of collaborative discussions with UK Ministers, during which they pressed for UK Government agreement to update the Welsh Government borrowing and reserve limits from 2018-19 to 2024-25 prices, in line with the latest Budget GDP deflators, and to index these to inflation thereafter, with the Welsh Government annual reserve draw-down limit abolished. The Cabinet Secretary for Finance will raise these issues further in future bilateral meetings with the Chief Secretary to the Treasury.

In addition to these changes, there is also a good case for bigger increases to the annual and aggregate limits on access to capital borrowing, so they are at least in line with inflation, with the aim of providing sufficient flexibility to allow prudent budgetary management from one financial year to the next in, order to maximise the funding available to the Welsh Government.

The Cabinet Secretary for Finance and Local Government raised the wider issue of late UK Government allocations and end of year budget flexibilities alongside the Finance Ministers from Scotland and Northern Ireland at the F:ISC in Belfast

on 3 October. This will form a wider programme of work and will be considered as a substantive item at future meetings of the FISC.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 16**

The Committee recommends that the Cabinet Secretary pursues with the UK Government a review of the process for agreeing new devolved tax powers, as outlined in Section 116C of the Government of Wales Act 2006 (as amended) and provides an update to the Committee on progress.

**Response:** Accept.

The Cabinet Secretary for Finance and Welsh Language discussed the devolution of the powers to introduce a vacant land tax in Wales with the Exchequer Secretary to the Treasury (XST) when they met in September. The Cabinet Secretary for Finance and Welsh Language outlined how the Welsh Government had attempted to progress this through the agreed process, however the previous UK Government had unilaterally stalled the process indefinitely. The Cabinet Secretary for Finance and Welsh Language has since written to the XST to follow up on their discussion and to share the supporting documents in line with the agreed process in the expectation that the Welsh Government will now be able to progress this matter. The Cabinet Secretary for Finance and Welsh Language will keep the Committee updated on this with the intention of returning to the issue of the case for a review of the process once the Welsh Government is clearer on its progress with securing the devolution of powers for vacant land tax.

**Financial Implications:** None. Able to take forward within existing resources.

### **Recommendation 17**

Subject to recommendation 16, if the UK Government is unwilling to review the process for agreeing new devolved tax powers, the Committee recommends that the Welsh Government utilises the dispute resolution mechanism to progress the vacant land tax, updates the Committee on any progress made, and provides an explanation if it is not pursued.

**Response:** Accept.

Further to the response to recommendation 16, the Cabinet Secretary for Finance and Welsh Language will keep the Committee updated on progress with securing the devolution of powers for vacant land tax and if appropriate any subsequent review of the process.

**Financial Implications:** None. Able to take forward within existing resources.

**Recommendation 18**

The Committee recommends that the Treasury improves its engagement with the finance committees of the devolved legislatures, both individually and through the Interparliamentary Finance Committee Forum, with a view of increasing formal and informal dialogue on fiscal matters relating to devolution.

**Response:**

The recommendation is for HM Treasury to respond.

**Financial Implications:** None.

---

## Local Government and Housing Committee

Will Rowlands

Town Clerk & Responsible Financial Officer  
Aberystwyth Town Council

20 November 2024

Annwyl Will,

### Local Government Funding Formula

Thank you for your recent correspondence regarding the Local Government Funding Formula, which we noted at our meeting on 14 November. We will be undertaking scrutiny of the Welsh Government's draft budget for 2025-26 in January, which will include hearing from the Welsh Local Government Association on the draft local government settlement. We will discuss the funding formula with the WLGA as part of our considerations.

Yours sincerely



John Griffiths MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Document is Restricted

Document is Restricted