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Y Gweinidog Cyllid a'r Trefnydd
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Llywodraeth Cymru
Welsh Government

Llŷr Gruffydd MS
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Dear Llŷr,

I am writing to you in your capacity as Chair of the Finance Committee regarding the timetable for the 2021-22 Budget.

We unfortunately find ourselves facing similar circumstances to those which impacted on our 2019-20 budget preparations. We don't yet know our 2021-22 budget settlement and until we receive this information we cannot provide certainty on our own 2021-22 budget timetable. We will only know this information when the UK Government concludes its Comprehensive Spending Review (CSR) as opposed to the UK Autumn Budget.

At the UK finance minister's quadrilateral meeting last week all Devolved Administrations were pressing for detail on when the CSR would happen. Since then it has been confirmed that the Chancellor will be providing a summer economic update on 8 July and it is possible this will provide greater clarity on when the CSR will take place. However, to comply with Standing Order 20, I have written to the chair of the Business Committee to set out indicative dates on which the draft budget will be laid and the annual budget motion will be tabled.

I welcomed your support, as part of the letter of 29 June from the finance committees of the devolved administrations to the Chief Secretary to the Treasury that we are once again faced with an unacceptable level of uncertainty regarding the UK Government's intentions for a Comprehensive Spending Review.

As you acknowledged we do not know yet when it will take place or the period it will cover. Nor has the UK government indicated when it will publish its annual budget in the Autumn. I also welcome your recognition that the ongoing uncertainty arising from the impact of the COVID-19 Pandemic and the end of the transition period following Brexit inevitably means that this year's budget process will be more challenging for the governments of all four nations across the UK. I would agree that for these reasons, it is challenging for me to provide certainty at this stage on the dates we will publish the Welsh Government's draft and final 2021-22 Budgets.

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

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Standing Order 20.6 makes provision for the Committee to make changes to the timetable at the request of the Government. Subject to this, and on the understanding I will provide a firm timetable as soon as possible after the UK Government has made an announcement regarding the Spending Review and its Budget, I have indicated to the Business Committee that we are planning to publish the outline and detailed draft Budgets together on 8 December, and the final Budget on 2 March 2021, subject to the forward Senedd plenary plan that is agreed.

In proposing these dates I am mindful of both Standing Order 20.5 and the arrangements agreed between the Welsh Government and the National Assembly for Wales with regard to the period provided for scrutiny. Standing Order 20.5 provides, in 'normal' circumstances, for the Finance Committee to be given 8 weeks to report on the outline budget proposals and five weeks for committees to consider the detailed Budget proposals. Whilst this cannot be termed a 'normal' year and bears a lot of similarities to the circumstances we faced together in 2019, I remain committed to ensuring the fullest possible scrutiny of our spending proposals. As a result, the timetable I have set out would enable 8 weeks for scrutiny of the draft Budget, comprising 5 sitting weeks and 3 non-sitting weeks.

It may be that the Chancellor's statement on the 8 July will provide early certainty. If we do have a firm understanding next week I would be happy to provide an update before the summer recess.

Should this not be the case, once we have certainty we will revisit our plans and write again to confirm our intentions and, we would look to bring forward our plans and publish the budget earlier in the event that the UK Government's timetable makes this possible. My intention would also be to maximise the proportion of sitting weeks provided for scrutiny of the draft budget.

I am once again grateful for the committee's understanding and I hope these arrangements are acceptable given the circumstances, which are driven by external factors beyond our immediate control and carry an unprecedented level of uncertainty.

Yours sincerely,



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