

Jane Hutt AC / AM
Y Gweinidog Cyllid
Minister for Finance



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Jocelyn Davies AM,
Chair, Finance Committee,
The National Assembly for Wales,
Cardiff Bay,
Cardiff
CF99 1NA

15 May 2014

Dear Jocelyn,


Thank you for inviting me to assist the Committee's inquiry into best budget practice processes.

As the Committee is aware, the Wales Bill currently progressing through the UK Parliament implements the majority of the recommendations of the first report of the Silk Commission including the devolution of taxes, increased access to borrowing and reforming budgetary procedures. Extensive discussions and negotiations with the UK Government have taken place during this process, throughout which, the Welsh Government's position in support of all the Silk recommendations and, where appropriate, the Holtham Commission report, have become well established.

Discussions continue with the UK Government as the Wales Bill progresses to fully understand the impact of implementation of these changes. We continue to seek to maximise the flexibility of the Welsh Government within a newly devolved financial framework whilst recognising that a balance will be required in respect of the continuing central role of HM Treasury.

I have discussed with the Committee previously my commitment to building on the work already done to improve the presentation and transparency of our spending plans and exploring the links between budgets and outcomes. This work will continue, however our priority in reforming our budgetary procedures must primarily focus on developing a framework which is 'fit for purpose' to reflect our new fiscal powers in respect of devolved taxation and borrowing.

We are in the early stages of developing our approach as the implications of the Wales Bill become clear and it is vital that proper consideration is undertaken in a timely manner. We have developed an excellent record of working together and I very much welcome the Committee's inquiry into this area. I look forward, with interest, to hearing the views of the Committee. I will, of course, be happy to discuss these issues further when I attend the Committee on 14th May to give evidence on this particular inquiry and in relation to the Legislative Consent Motion on the Wales Bill.

Best wishes,


Jane Hutt AC / AM

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