Welsh Parliament
Finance Committee

Sixth Senedd Legacy Report

March 2026

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About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:
www.senedd.wales/SeneddFinance

Current Committee membership:

Committee Chair:
Peredur Owen Griffiths MS
Plaid Cymru

Mike Hedges MS
Welsh Labour

Rhianon Passmore MS
Welsh Labour

Sam Rowlands MS
Welsh Conservatives

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Budget scrutiny during the Sixth Senedd

During the Sixth Senedd the Committee scrutinised:

Llywodraeth Cymru
Welsh Government

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The Committee made a total of **269** recommendations following its scrutiny of Welsh Government Draft and Supplementary Budgets.

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Chair's foreword

During the Sixth Senedd, the work of our Committee has been grounded in the belief that robust oversight of public expenditure is essential to the effectiveness of Welsh democracy, and I am proud of the contributions we have made.

The Committee produced a series of significant reports that reflect both the breadth and depth of our scrutiny role. These include scrutinising the budgetary proposals of the Welsh Government and the Directly Funded Bodies, including the Senedd Commission during a period of significant change as it prepares for expansion, as well as scrutinising the financial implications of Bills introduced to the Senedd.

We were also responsible for leading on the appointment process for prominent roles in the Welsh public life: the Public Services Ombudsman for Wales in 2022 and the Auditor General for Wales in 2026. This is in addition to a number of recruitment exercises to appoint the Chair and non-executive members of the Wales Audit Office throughout the parliamentary term. These processes come with significant responsibility to ensure that all appointments are conducted through fair, transparent, and rigorous processes and I am glad that we have met those challenges.

In addition, we have undertaken proactive inquiries, in key strategic areas, namely Post-EU Funding Arrangements, Fiscal Intergovernmental Relations and Financial Transactions Capital, to shine a light on areas which are often complex and lacking in transparency. These have enabled us to anticipate emerging issues and deepen our understanding of critical policy areas.

We have also contributed to Wales's wider interparliamentary work through the Interparliamentary Finance Committee Forum, which has published its own legacy report during this period. This collaboration has helped us share good practice and align scrutiny approaches with counterparts in the other devolved legislatures. It has also helped us understand how Wales fits into the broader financial governance landscape across the UK.

Looking back, I am proud of the diligence, professionalism, and cross-party cooperation that have characterised our work. The Committee has consistently strived to improve scrutiny processes, enhance transparency, and champion better financial information for both Members and the public. We hope that these efforts will support our successors in building on this foundation in the Seventh Senedd.

I would like to express my sincere thanks to all those who have contributed to the Committee's work throughout this Senedd term. The insight, expertise, and lived experience they have shared has been invaluable in shaping our understanding of the issues before us.

Peredur Owen Griffiths MS
Chair of the Finance Committee

Recommendations and Conclusions

1. Budget Scrutiny

Budget Process

Two Stage Budget Process

1. During the Sixth Senedd, the Finance Committee (the Committee) has repeatedly stressed the effect of compressed timetables on budget scrutiny, when the Welsh Government's Budget has been not been published until after the UK Autumn Budget. The 2026-27 budget round[1] was the only one during the Sixth Senedd that took place according to the two-stage process set out in the Budget Process Protocol (the Protocol).[2] Other budget cycles have followed the process set out for exceptional years.

2. However, this year's "neutral" Draft Budget included no new priorities or decisions, so was not a "normal" budget either. This led to the Committee recommending that the Cabinet Secretary Finance and Welsh Language (the Cabinet Secretary) attend a session immediately following the publication of the Final Budget to discuss the changes made since the Draft Budget stage.[3]

3. The Welsh Government's response to the Committee's Draft Budget 2026-27 report stated that they would "reflect on the process this year, in particular the two-stage element, as we consider the approach to next year's Budget".[4]

4. Reflecting on the timing of the Welsh Government's budget during this Senedd, the Cabinet Secretary said:

> *"... it's often been a real challenge to lay a draft budget in October without knowing what the Chancellor's thinking is going to be at that point of the year. You have always, I think, argued for the Welsh Government to declare its hand early, and I suppose, from a Government's point of view, there's always an anxiety that you'll have one set of plans, and then a few weeks later you're going to have to tear them up and—. Well, not tear*

[1] Letter from the Cabinet Secretary for Finance and Welsh Language to the Finance Committee, 1 July 2025
[2] The Budget Process Protocol between the Assembly and the Welsh Government, 21 June 2017
[3] Welsh Government, Response to Finance Committee's Scrutiny of the Welsh Government's Draft Budget 2026-27, 23 January 2026
[4] Welsh Government, Response to Finance Committee's Scrutiny of the Welsh Government's Draft Budget 2026-27, 23 January 2026

> *them up, but they will be significantly amended, and in that sense, we probably would rather wait to see the context we're in, and you'd rather we went earlier than that."*[5]

5. In terms of the Senedd's budget scrutiny timetable, the Cabinet Secretary questioned the argument that recess weeks cannot be used for scrutiny, observing that Members of the Senedd continue to work during recess.[6]

6. The Cabinet Secretary also suggested that the Welsh Government's Economic and Fiscal Report could be produced before the summer.[7]

Reviewing the Budget Process Protocol

7. The Finance Committee of the Fifth Senedd recommended that an independent group should be established to review the existing process for agreeing the budget "as a matter of priority".[8] This recognised the UK Government's move to a single annual fiscal event[9] in the autumn, a timetable that is likely to occur after the point at which the Protocol would ordinarily expect the Welsh Government to lay its Outline Draft Budget.[10] This often jeopardised the time available for the Senedd to scrutinise the Draft Budget.

8. This pattern has persisted throughout this Senedd. Across the five scrutiny cycles, the Committee has consistently raised concerns about the impact of compressed scrutiny timetables when the Welsh Government's budget has been published after the UK Autumn Budget.

9. The Committee has engaged in a series of correspondence with successive Cabinet Secretaries for Finance, seeking to secure modest adjustments to the Protocol in the short term, with the intention of paving the way for more substantive reforms in the longer term.[11]

10. However, no progress has been made in revising the Protocol during this Senedd term. In his most recent correspondence on the matter, the Cabinet Secretary indicated that it would be more appropriate for the incoming Senedd

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[5] Finance Committee, RoP, 11 February 2026, paragraph 22
[6] Finance Committee, RoP, 11 February 2026, paragraph 23
[7] Finance Committee, RoP, 11 February 2026, paragraph 55
[8] Finance Committee, Fifth Senedd Legacy report, March 2021, Recommendation 8
[9] UK Government, News story - The new Budget timetable: 7 things you need to know, November 2016
[10] The Budget Process Protocol between the Assembly and the Welsh Government, June 2017
[11] Finance Committee, Review of the Budget Process Protocol

and Welsh Government to “shape arrangements suited to the newly enlarged Senedd”.[12]

Budget Engagement

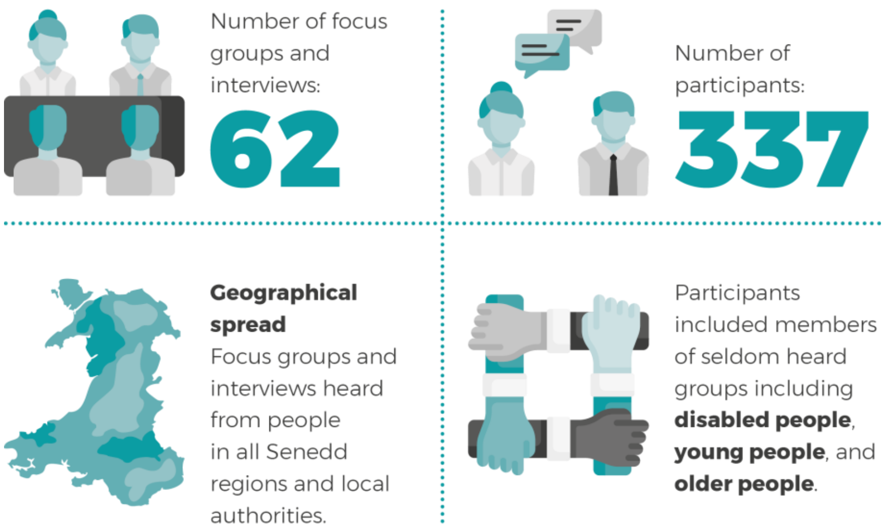
11. Continuing on from the work of its predecessor Committee, the Committee has undertaken work this Senedd to strengthen pre-scrutiny and engagement to mitigate the impact of constrained scrutiny time. This has involved building on scrutiny during the priority setting phase in the summer.

12. The Committee has run an annual stakeholder event, visiting Bangor University in 2025, Canolfan S4C Yr Egin in Carmarthen in 2024, Glyndŵr University in Wrexham in 2023 and Llanhilleth Miner’s Institute near Abertillery in 2022.

13. The Committee has adopted a participant-focused approach to public engagement, ensuring that a broad cross-section of Welsh society contributed to the scrutiny of the Welsh Government’s budget. This approach has supported the Committee’s understanding of public priorities enabling insight into changing trends in opinion on the Welsh Government’s budget.

14. Engagement was designed to reach a wide range of audiences, including people with experience of particular policy areas and seldom heard groups such as older people, disabled people, and young people.

Annual Citizen Engagement programme in the Sixth Senedd



[12] Letter from the Cabinet Secretary for Finance and Welsh Language to the Finance Committee, 18 November 2025

Highlights from the Sixth Senedd

Over the past five years, the Committee has engaged with people across Wales in evidence sessions, at summer shows, and through organised focus groups to understand how Welsh Government budget decisions impact them.

15. The Committee has also undertaken drop in sessions at the Eisteddfod yr Urdd, the Royal Welsh and the National Eisteddfod to gain further understanding of what individuals think should be prioritised in Welsh Government budgets.

16. The Committee engaged with Members of the Welsh Youth Parliament (WYP) in different ways during this Senedd. The Committee usually hosted a workshop with Members of the WYP to discuss where the Welsh Government should be prioritising spending in the next financial year.

17. However, during the 2025-26 Budget cycle the WYP were not in session. Instead of the usual workshop, the Committee invited young people to take part in a dedicated citizen focus group, facilitated by the Citizens Engagement Team to gather the views of young people.

18. During the 2026-27 Budget cycle the Committee also agreed to invite Members of the WYP to attend an informal discussion with the Committee and Cabinet Secretary at the Committee's meeting on 16 October 2025.[13]

19. The Cabinet Secretary reflected that the engagement work undertaken by the Committee was "really valuable" and has helped inform his decision making.[14]

20. The issues raised in the stakeholder events, focus groups, discussions with Members of the WYP and discussions with individuals at the summer shows all feed into a summary report and Budget Priorities debate in July.

21. The Cabinet Secretary was of the view that the Budget Priorities debate ahead of the summer recess should be adopted by the Seventh Senedd as:

> *"… you've probably already had your first round of bilaterals with all your colleagues, and you are about to have a second round, in which you agree work that's to be done over the summer to prepare for the draft budget early in the autumn. It's a very good point in the process to have that early sighting through a Finance Committee debate on what the emerging priorities are, a sense check of what this budget is going to have to respond to and so on."*[15]

[13] Finance Committee, Agenda, 16 October 2025
[14] Finance Committee, RoP, 11 February 2025, paragraph 21
[15] Finance Committee, RoP, 11 February 2025, paragraph 20

22. It has become standard practice that both the Cabinet Secretary and the Chief Economist have attended Committee where there has been a delay to the publication of the Welsh Government Budget. The Committee has frequently reflected on the usefulness of these sessions:

> *"The Committee was also pleased that the Minister and Welsh Government officials, including the Welsh Government's Chief Economist, attended Committee at the end of September to discuss issues and themes raised from the Committee's summer engagement activities and the current economic context."*[16]

23. Another method the Committee utilises to seek the views of stakeholders on their priorities for the Welsh Government's Budget is through written consultation. Over the course of this Senedd term the number of responses to the Committee's consultation has risen from 26 in 2021-22[17] to a peak of 77 in 2025-26[18].

Committee View

24. The Committee notes that the Draft Budget 2026-27 was the only budget cycle of this Senedd term that took place according to the two-stage process set out in the Protocol, with other budget cycles following the process set out for "exceptional" years, resulting in a Draft Budget being published in December. However, we also note that scrutiny of the Draft Budget during the Sixth Senedd has been undertaken mostly within compressed timescales, which has made it challenging for Senedd committees and stakeholders wishing to engage with the process.

25. We believe that the proactive steps taken by the Committee during the Sixth Senedd to maximise the time available for scrutiny has gone some way to mitigate these pressures. We have held a series of innovative and well attended engagement sessions and continued to hold our annual Budget Priorities debate before the summer recess, in addition to our written consultation exercise. These have been essential in providing an opportunity for organisations and the public at large to inform and influence the government's budgetary decisions.

[16] Finance Committee, Scrutiny of the Welsh Government Draft Budget 2023-24, February 2023, page 18
[17] Finance Committee, Consultation: Welsh Government Draft Budget 2021-22
[18] Finance Committee, Consultation: Welsh Government Draft Budget 2025-26

26. The Committee welcomes the positive response from the Cabinet Secretary with regard to the Committee's annual debate on the Welsh Government's spending priorities. We welcome the confirmation that the timing of the debate ensures that any issues raised by Members could influence the decision making process and would urge that our successor committee ensures that this debate remains a key element of the budget cycle.

27. The Committee has also held evidence sessions outside of the formal budget scrutiny period by holding pre-budget sessions with the Cabinet Secretary and technical briefings with the Welsh Government's Chief Economist. The Committee has found these sessions helpful, particularly given the wider pressures on the budget scrutiny process and believes they could be expanded in the Seventh Senedd to cover areas such as the next Welsh Government's Programme for Government, Future Trends Report, capital investment plans and Welsh Spending Reviews.

28. The Committee has also found the annual publication of the Chief Economist's Wales Economic and Fiscal Reports valuable in understanding the funding context and longer term fiscal challenges faced by Wales and the UK. The Committee welcomes the Cabinet Secretary's suggestion that the publication of this report could potentially be published earlier in the year, to inform the Budget Priorities debate in July. This would be a positive development and consolidate the debate's importance in the Welsh parliamentary calendar.

Conclusion 1. The Committee believes that the annual Budget Priorities debate is a key stage in the Senedd's budget process and that it should continue to be held annually before the summer recess.

Recommendation 1. The Committee recommends that its successor committee and the Seventh Senedd expand opportunities for financial scrutiny beyond the budget period, including scrutiny of tax policy, spending reviews, future trends work and major investment plans.

Recommendation 2. The Committee recommends that its successor committee continues to invite the Chief Economist to present economic and fiscal reports ahead of the Draft Budget and explores opportunities for its earlier publication to support the Committee's Budget Priorities debates prior to the summer recess.

29. While it is disappointing that progress in reviewing the budget process has stalled and that no formal changes to the Protocol were agreed during this Senedd, we welcome the Cabinet Secretary and his predecessor's engagement on these issues. The previous Finance Committee recommended that an independent group should be established to review the existing process for agreeing the budget “as a matter of priority”. We firmly believe that any steps to develop a new budget process for an expanded Senedd should be taken forward together by the Welsh Government and the Senedd.

Recommendation 3. The Committee recommends that the next Senedd prioritises a full review of the Budget Protocol and wider budget processes, including how any changes to how tax policies and regulations may be considered, to ensure scrutiny arrangements are resilient, timely and fit for an expanded legislature.

30. The Committee is unanimous that its multifaceted approach for engaging with stakeholders has played an integral role in informing its scrutiny of the Welsh Government Draft Budget.

31. We believe that our engagement work during the Sixth Senedd, including our annual focus-group programme, has helped establish a distinctive approach to public engagement on scrutinising the Welsh Government’s budget and provides an example of direct citizen engagement in budget scrutiny. This is notable given the constraints typically associated with budget scrutiny, which often limit opportunities for meaningful public engagement.

32. Looking to the Seventh Senedd, we would ask our successor to continue with this approach and, where appropriate, to look at new ways to engage with the people of Wales as technology and trends evolve. In particular, we would encourage our successor to commission an annual engagement programme and identify other ways of working with the WYP to further build on its role within the budget cycle.

Recommendation 4. The Committee recommends that its successor committee:

- implements a multifaceted approach when gathering evidence to inform its scrutiny of the Welsh Government’s Draft Budget, and
- utilises the evidence gathered from stakeholders to inform an annual budget priorities debate in Plenary ahead of the summer recess in each budget cycle.

Ongoing issues identified in Budget Scrutiny

33. During the scrutiny of the Draft Budget in the Sixth Senedd the Committee has routinely considered the cross-cutting and strategic issues summarised below.

Prevention

34. The Cabinet Secretary explained that the Welsh Government is keen to "move money in a preventative direction".[19] However, he has also referred to preventative spend as a "slippery concept"[20] and that "almost everything the Welsh Government does" could be considered preventative.[21]

35. Following its scrutiny of the Draft Budget 2025-26, the Committee recommended the Cabinet Secretary worked with the Future Generations Commissioner for Wales (the Commissioner) to agree an updated definition of what is meant by preventative spend.[22]

36. The Commissioner told the Committee he had worked with a number of public bodies "to put the definitions into practice, and understand where the challenges are and whether they can be improved".[23] The Deputy Commissioner added the definition "was very easy to use".[24]

37. The Commissioner reflected that in relation to prevention as an area, "we're still weakest in considering budget decisions and moving towards more of an investment in prevention".[25]

Productivity

38. The Welsh Government has also recognised the importance of productivity in its Wales Economic and Fiscal Report published alongside the Draft Budget 2025-26.[26]

39. During scrutiny of the Welsh Government's Final Budget 2026-27, the Cabinet Secretary said that productivity is:

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19 Finance Committee, RoP, 12 December 2024, paragraph 71
20 Finance Committee, RoP, 1 December 2025, paragraph 159
21 Finance Committee, RoP, 12 December 2024, paragraph 71
22 Finance Committee, Scrutiny of the Welsh Government Draft Budget 2025-26, February 2025, page 85
23 Finance Committee, RoP, 13 November 2025, paragraph 70
24 Finance Committee, RoP, 13 November 2025, paragraph 76
25 Finance Committee, RoP, 13 November 2025, paragraph 15
26 Welsh Government, Wales Economic and Fiscal Report 2024, October 2025

> *"… a shared responsibility across the Welsh Government. It isn't the budget alone that drives a focus on productivity. But in my discussions with my Cabinet colleagues, I was clear, I hope, in saying to them that I would put some additional priority on spending proposals where there was a productivity gain there to be demonstrated."*[27]

40. The Cabinet Secretary reflected that the majority of this Senedd term has been a period of "repair and recovery" in light of Brexit, COVID and inflation. He explained this has made it harder to address the prevention and productivity agenda as he's been dealing with the consequences of those events.[28]

Gender Budgeting

41. The Committee has engaged with gender equality stakeholders through this Senedd to aid its scrutiny of Welsh Government's budgetary decision making.

42. The Committee has made recommendations regarding the publication of three gender budgeting pilots over this Senedd term[29], the evaluations of which were published alongside the 2026-27 Draft Budget.[30]

43. The Welsh Government identified six policy recommendations as a result of the pilots and noted the Wales Women's Budget Group (WWBG) as a "critical partner" in the work. Regarding next steps, the Welsh Government states:

> *"We will not be carrying out further pilots at this stage. Instead, our focus is on consolidating learning, building capacity, and embedding gender budgeting into the fabric of government."*[31]

44. WWBG and Women's Equality Network Wales (WEN Wales) expressed their disappointment that the "ongoing work to incorporate gender budgeting questions within the Welsh Government's departmental Equality and Human Rights Impact Assessment was delayed."[32] The Committee has urged the Welsh Government to work with WEN Wales and the WWBG to embed gender

[27] Finance Committee, RoP, 21 January 2026, paragraph 75
[28] Finance Committee, RoP, 11 February 2026, paragraph 32
[29] Finance Committee, Scrutiny of the Welsh Government Draft Budget 2024-25, February 2024, page 9
[30] Welsh Government, Gender Budgeting in Practice, November 2025
[31] Welsh Government, Gender Budgeting in Practice, November 2025
[32] Finance Committee, Consultation response: Wales Women's Budget Group (WWBG) and Women's Equality Network (WEN) Wales

budgeting in future fiscal decision-making, with the aim of improving understanding of how these budgetary decisions affect women.[33]

45. The Cabinet Secretary told the Committee:

> *"We are committed to embedding gender budgeting. We published what we've learned from the first trials at the draft budget, and we are considering now how we take gender budgeting further in the work we will do in the future."*[34]

46. The Cabinet Secretary reflected that the next Senedd should decide if a change in approach is required with regard to gender budgeting and that going forward the focus should be on:

> *"… embedding the lessons from what we've done, rather than going on just learning more lessons. The lessons, I think, are that you can use gender budgeting to disaggregate data, that you can bring more analytical focus on it if you have a concentration on it, and that you can therefore move your consideration of gender impacts earlier in the policy-making process than you otherwise would."*[35]

Strategic Integrated Impact Assessment

47. The Draft Budget has been accompanied by a Strategic Integrated Impact Assessment (SIIA) which aims to "to examine the potential impacts of our spending decisions on equality, sustainability, and wellbeing".[36]

48. The Cabinet Secretary explained that he used the SIIA to look:

> *"… at the decisions you've made and asks, 'What are the impacts these decisions will have on different parts of the population, and how do decisions made in one part of the Government align with decisions made elsewhere?' So, in a*

[33] Finance Committee, Scrutiny of the Welsh Government Draft Budget 2026-27, December 2025, page 96
[34] Finance Committee, RoP, 1 December 2025, paragraph 175
[35] Finance Committee, RoP, 11 February 2026, paragraph 74
[36] Welsh Government, Strategic Integrated Impact Assessment Interim Assessment, November 2025, page 2

sense, it is a looking back at the decisions you've made and testing them against those criteria."[37]

49. In response to a recommendation made in the Committee's report on the Draft Budget 2025-26[38] the Cabinet Secretary commissioned a review of the SIIA.[39]

50. As a result of the review, the Draft Budget 2026-27 was accompanied by an interim SIIA[40], and an amended final SIIA was published alongside the Final Budget.[41]

51. The Welsh Government told the Committee that throughout this Senedd term, they have worked in collaboration with the WWBG as a key member of the Budget Improvement and Impact Advisory Group (BIIAG).[42] The Commissioner also told the Committee that his office has been involved in providing support and training to the BIIAG and SIIA processes.[43]

Budget Improvement Plan

52. In 2019, the Welsh Government developed the Budget Improvement Plan (BIP) to "improve the budget process using the Well-being of Future Generations Act (WFG Act) and the five ways of working to drive continuous improvement".[44] The BIP was put in place between 2021 and 2026, marking the Draft Budget 2026-27 as the final year of the plan.[45]

53. The Cabinet Secretary noted that, in his view, the BIP had achieved its aim of putting "a greater emphasis on accessibility of data, accessibility of information surrounding the budget process". He explained:

"I think it moved us to providing a greater focus on the basis for decisions, rather than just the decisions themselves, so a

[37] Finance Committee, RoP, 11 February 2026, paragraph 43
[38] Finance Committee, Scrutiny of the Welsh Government Draft Budget 2026-27, December 2025, Recommendation 21
[39] Welsh Government, Response to Finance Committee's Scrutiny of the Welsh Government's Draft Budget 2026-27, 23 January 2026, page 12
[40] Welsh Government, Strategic Integrated Impact Assessment – Interim Assessment, November 2025
[41] Welsh Government, Strategic Integrated Impact Assessment – Final Assessment, January 2026
[42] Welsh Government response to the Finance Committee's scrutiny of the Draft Budget 2026-27, January 2026, page 18
[43] Finance Committee, RoP, 13 November 2025, paragraph 10
[44] Welsh Government, Budget Improvement Plan, December 2020, page 1
[45] Welsh Government, Budget Improvement Plan, October 2025

> *greater emphasis on evidence and a greater emphasis on data. I think it had a greater focus on cross-Government impacts of spending—not just the individual portfolio impacts, but the cumulative impacts. I think it tried to help us look forward in the budget process, rather than just always reporting on what had been done."*[46]

54. Looking ahead to the Seventh Senedd, the Cabinet Secretary was of the view that a new iteration of the BIP would be worthwhile, and suggested that it could focus on the impact of AI.[47]

Committee View

55. While the Committee acknowledges the challenging financial context during the Sixth Senedd, we have found it difficult to track the extent to which Welsh Government budgets have, or have not, shifted towards a longer term approach. In particular, the Committee remains concerned about the lack of clarity around outputs, including whether allocations are shifting away from acute services towards a more preventative approach that will reduce future demand and enhancing productivity that increases economic output and grows the future taxbase.

Recommendation 5. The Committee recommends that its successor committee continues to monitor the Welsh Government's approach to evidencing how they are prioritising allocations and programmes that are preventative and enhance productivity.

56. We note the learning that the Cabinet Secretary states has been gained from gender budgeting pilots undertaken during this Senedd and welcome the intention to disseminate this learning and to ensure that it is embedded consistently across all Welsh Government departments.

Recommendation 6. The Committee recommends that the next Welsh Government develops and implements a clear plan for applying the learning from gender budgeting pilots across departments, including mechanisms for monitoring progress and evaluating impact.

57. The Committee recognises the steps taken by the Welsh Government to strengthen the assessment of impacts within the budget process during the Sixth

[46] Finance Committee, RoP, 11 February 2026, paragraph 71
[47] Finance Committee, RoP, 11 February 2026, paragraph 71

Senedd. The Committee also welcomes the Welsh Government's continued engagement with the WWBG and the involvement of the Commissioner in supporting and advising on both the BIIAG and the SIIA process. Members agree that this external expertise plays an important role in developing the robustness and credibility of integrated impact assessment.

58. The Committee notes that the Draft Budget for 2026-27 was accompanied by an interim SIIA, with a revised version issued alongside the Final Budget following the review commissioned in response to this Committee's earlier recommendation. While the Committee understands the rationale for this phased approach, it remains concerned that the interim nature of the assessment reduces the Committee's ability to consider the full implications of spending proposals in a timely manner.

Recommendation 7. The Committee recommends that its successor committee continues to work with the Welsh Government to improve the evidence base for the Senedd to be able to understand the impacts that decisions made in the Welsh Budget are likely to have on different groups in documentation, such as the Strategic Integrated Impact Assessment.

Developing Financial and Fiscal Literacy Skills

59. The Committee is aware that work is underway within the Senedd Commission to ensure that both new and returning Members of the Seventh Senedd are provided with the support required to undertake their duties as elected representatives.[48]

60. The Committee welcomes assurances from the Chief Executive and Clerk of the Senedd that issues raised by the Committee during this Senedd will be shared with our successors. She explained that:

> *"… once the Chairs and the members of the committees are appointed, and once the responsibilities of the different committees in the seventh Senedd are formulated, there will be a focus on helping people to understand their responsibilities in that way."*[49]

[48] Finance Committee, RoP, 25 February 2026, paragraphs 56 - 57
[49] Finance Committee, RoP, 25 February 2026, paragraph 59

61. The Cabinet Secretary hopes that an enlarged Senedd would mean Members won't be required "to cover as many aspects of responsibility" and as a result they will be able to:

> *"… develop a greater depth of experience and knowledge in a particular area, and will be better equipped, therefore, to ask some of those questions than maybe is possible when the Senedd is running on fewer people than we know it needs to do the job it's asked to do."*[50]

Committee View

62. The Committee noted the Cabinet Secretary's view that an enlarged Senedd may give new Members, who may have to cover a narrower range of subject areas, the opportunity to develop a greater depth of experience and knowledge in specific areas. We also welcomed assurances from the Senedd Commission (the Commission) that work is underway to ensure that all Members receive appropriate training which will be tailored to their individual needs.

63. We have commented elsewhere in this report that the Interparliamentary Finance Committee Forum identified the provision of fiscal literacy training as an area in which the forum could add value. With the number of new Members expected following the next Senedd election the Committee recommends that the Commission provides comprehensive support to Members to assist the development of fiscal literacy skills, both at the start and continued through the Senedd term.

Recommendation 8. The Committee recommends that the Senedd Commission provides comprehensive support to Members of the Senedd to assist the development of fiscal literacy skills, such as understanding how government finances, taxation and spending decisions impact the economy and individual's lives, both at the start and continued through the Senedd term.

[50] Finance Committee, RoP, 11 February 2026, paragraph 29

2. Welsh Taxes

Statutory Review of the Welsh Tax Acts etc. (Power to Modify) Act 2022

64. The Welsh Tax Acts etc. (Power to Modify) Bill[51] was introduced in December 2021 to give Welsh Ministers the power to amend the three Welsh Tax Acts[52] and related regulations for specified purposes, namely responding to court decisions, protecting against tax avoidance, responding to a change to a predecessor tax and ensuring compliance with international obligations. This included the power to make regulations with retrospective effect.[53]

65. Throughout their scrutiny, Senedd committees raised significant constitutional concerns. The Committee questioned whether a very broad regulation-making power was the best or most proportionate mechanism for making tax changes, noting that such powers are typically reserved for primary legislation[54]. The Legislation, Justice and Constitution Committee concluded that the Bill "does not represent an appropriate legislative vehicle" and should only be a temporary measure.[55]

66. At Stage 2, the Welsh Government inserted section 6 which required Welsh Ministers to review the operation and effect of the Welsh Tax Acts etc. (Power to Modify) Act 2022 (the 2022 act). This section was amended further at Stage 3 to include a requirement on the Welsh Ministers to assess "alternative legislative mechanisms for making changes to the Welsh Tax Acts and regulations made under any of those Acts" as part of the review, and to consult the Senedd and other appropriate persons.[56]

67. Section 7 was also inserted at Stage 2 to include a sunset clause bringing the power to make regulations under section 1 to an end five years after the 2022 Act receives Royal Assent. At Stage 3, the Welsh Government amended this section to

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[51] Welsh Tax Acts etc. (Power to Modify) Act 2022
[52] Tax Collection and Management (Wales) Act 2016, Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, and Landfill Disposals Tax (Wales) Act 2017
[53] Senedd Scrutiny of the Welsh Tax Acts etc. (Power to Modify) Bill
[54] Finance Committee, Welsh Tax Acts etc. (Power to Modify) Bill: Committee Stage 1 Report, April 2022
[55] Legislation, Justice and Constitution Committee, Report on the Welsh Tax Acts etc. (Power to Modify) Bill, April 2022
[56] Welsh Tax Acts etc. (Power to Modify) Act 2022, section 6

include the option for the Welsh Ministers to extend that period to a maximum end date of 30 April 2031 by regulations.[57]

68. No regulations to amend the Welsh Tax Acts etc. (Power to Modify) Act 2022 (the 2022 Act) have been made under section 1 of this Act to date.

69. The Welsh Government published its statutory review of the 2022 Act on 13 February 2026.[58] The Cabinet Secretary's Written Statement said that, while consultees viewed primary legislation "as the most appropriate mechanism for tax changes", there was "broad recognition that Wales still requires flexible powers to respond swiftly to external events affecting devolved taxes". The Cabinet Secretary confirmed:

> *"To provide the next Senedd and Welsh Government with the time to establish the approach they consider appropriate at this stage in the devolution journey to make changes to our devolved taxes, I intend to lay draft Regulations shortly to extend the sunset clause in the Welsh Tax Acts etc. (Power to Modify) Act 2022 to the maximum permitted, 30 April 2031."*[59]

70. The draft Regulations were laid on 24 February 2026, for debate on 17 March 2026. The Committee laid its report on the regulations on 13 March 2026.[60]

Consultation on legislative proposals relating to Welsh Tax Acts

71. In November 2025, the Welsh Government and Welsh Revenue Authority (WRA) published a green paper[61] on legislative proposals relating to the Welsh Tax Acts. The paper set out potential changes to tax legislation, noting:

> *"The proposed legislative changes would seek to remedy areas where, in practice, the WRA has found difficulty in operating the legislation effectively, in response to feedback from taxpayers or*

[57] Welsh Tax Acts etc. (Power to Modify) Act 2022, section 7
[58] Welsh Ministers' Review of the Welsh Tax Acts etc. (Power to Modify) Act 2022, 13 February 2026
[59] Written Statement: Review of the Welsh Tax Acts etc. (Power to Modify) Act 2022 and consultation response report, 13 February 2026
[60] Finance Committee, The Welsh Tax Acts etc. (Power to Modify) Act 2022 (Extension of Expiry Date) Regulations 2026, March 2026
[61] Welsh Government and WRA, Consultation on legislative proposals relating to the Welsh Tax Acts, November 2025

to bring Wales in line with changes that have happened elsewhere within the UK."[62]

72. The Cabinet Secretary explained that the consultation reflected on the first decade of the WRA's performance and identified several technical improvements:

> *"… for example, there is a reading of the governance rules that were set up by the Senedd for the WRA that says that it's impossible for executives of the WRA to make a decision unless they have a non-executive alongside them making it. Now, I don't think that was ever really our intention. We expected non-executives to operate at the board level and in some of the important sub-committees, but we did not expect people who are full-time, very experienced professionals to have somebody else on their shoulder every time they make a decision."*[63]

73. He suggested that other legislative changes would help the WRA respond more effectively to wider policy changes, such as developments in leasehold and freehold enfranchisement.[64]

74. The Cabinet Secretary indicated that this work has been prepared with the next Senedd term in mind. Given the shorter four-year term and the likelihood that major policy legislation will take time to develop, he suggested the proposed changes offer a useful, non-contentious Bill that an incoming Government could introduce early, if it chose to do so.[65]

75. A summary of responses to the consultation was published on 13 February 2026.[66]

Further Devolution of Taxation Powers

Income Tax

76. During the Sixth Senedd, the Committee received evidence commenting on the limitations of the Welsh Government's current powers over income tax. The

[62] Welsh Government and WRA, Consultation on legislative proposals relating to the Welsh Tax Acts, November 2025, page 2
[63] Finance Committee, RoP, 11 February 2026, paragraphs 100-101
[64] Finance Committee, RoP, 11 February 2026, paragraph 101
[65] Finance Committee, RoP, 11 February 2026, paragraph 101
[66] Welsh Government, Making changes to the Welsh Tax Acts: Summary of responses, 13 February 2026

partial devolution of income tax powers, means that while the rate of income tax on individual tax bands can be changed, tax thresholds cannot be altered and additional tax bands cannot be added. This means that increasing the basic rate is the only action that would "make any real difference".[67] In contrast to taxation powers in Scotland, we also note the inability of the Welsh Government to introduce new tax bands and thresholds.[68] The Committee recommended in its report on the Draft Budget 2023-24 that the Welsh Government undertakes foundational work on the benefits and risks associated with devolving powers to modify Welsh Rates of Income Tax (WRIT) bands and thresholds.[69]

77. In our report on the Draft Budget 2024-25 we also expressed disappointment with the lack of progress in devolving powers to introduce new taxes, and supported the then Minister in efforts to engage the UK Government on these matters.[70] In response, the then Minister agreed to keep the Committee updated on any analytical work undertaken.[71]

78. The Welsh Government commissioned the Fraser of Allander Institute at the University of Strathclyde and Bangor University to undertake work on future options for income tax devolution in Wales and their findings were published on 6 March 2026.[72]

Vacant Land Tax

79. Section 116C of the Government of Wales Act 2006 contains a mechanism for further taxes to be devolved to the Senedd by an Order in Council. The Welsh Government has explored a Vacant Land tax since 2018 as a potential new devolved tax to incentivise development on empty land.[73]

80. The Fifth Senedd's Finance Committee expressed significant concern over the delayed devolution of powers required for a Vacant Land tax, specifically

[67] Finance Committee, RoP, 18 January 2024, paragraph 443
[68] Finance Committee, Scrutiny of the Welsh Government Draft Budget 2024-25, February 2024, paragraphs 209-201 and Recommendation 17
[69] Finance Committee, Scrutiny of Welsh Government Draft Budget 2023-24, February 2023, Recommendation 6
[70] Finance Committee, Scrutiny of the Welsh Government Draft Budget 2024-25, February 2024, paragraphs 209-201 and Recommendation 17
[71] Welsh Government, Response to Finance Committee's Scrutiny of the Welsh Government's Draft Budget 2024-25, March 2024
[72] Welsh Government, Written Statement: Publication of independent research into options for income tax devolution in Wales, 6 March 2026
[73] Senedd Research, Article: Vacant land tax discussions at an impasse, October 2021

questioning whether the current mechanism for devolving new tax powers is fit for purpose.[74]

81. In February 2026, the Cabinet Secretary issued a Written Statement announcing that the Welsh Government and the UK Government had agreed to conduct a joint consultation on devolving powers to introduce a Vacant Land tax. The Cabinet Secretary said:

> *"The timing of the consultation is in the hands of HM Treasury, but this marks an important step forward in our long-held ambition to introduce such a tax in Wales."*[75]

82. This is discussed further in the Committee's report on the Second Supplementary Budget 2025-26.[76]

Legislative Consent Memorandum: Finance (No. 2) Bill

83. On 16 December 2025, the Cabinet Secretary laid a Legislative Consent Memorandum (LCM) on the UK Finance (No. 2) Bill.[77] The Bill introduces new property income tax rates within the existing income tax framework. It also provides the Senedd with a consequential power to vary the Welsh rates of property income tax, mirroring the current WRIT for non-savings and non-dividend income. The provision enabling the Senedd to set separate Welsh property income tax rates would come into force on a day appointed by HM Treasury by regulations, with the 2027-28 tax year being the earliest point at which the power could be exercised.[78]

84. While the Committee did not formally report on the LCM, the Chair wrote to the Cabinet Secretary to express support for the proposed extension of devolved powers and to seek clarification on a number of issues. This correspondence also highlighted the need for the Business Committee to consider the procedural implications of exercising this power in due course.[79]

[74] Article by Chair of the Finance Committee (Fifth Senedd): Taxpayers need to be assured of a fair funding system for Wales, where tax revenue is delivering value for money, March 2021
[75] Welsh Government, Written Statement: Agreement to consult on devolution of powers for a Vacant Land Tax in Wales, 11 February 2026
[76] Finance Committee, Scrutiny of the Second Supplementary Budget 2025-26, March 2026
[77] Welsh Government, Legislative Consent Memorandum Finance (No.2) Bill, 16 December 2025
[78] Welsh Government, Legislative Consent Memorandum: Finance (No. 2) Bill, 16 December 2025
[79] Letter from the Finance Committee, 23 January 2026 and Letter from the Cabinet Secretary for Finance and Welsh Language, 17 February 2026

85. The Senedd approved the LCM for the Finance (No. 2) Bill on 3 February 2026[80] and a response to our letter was received from the Cabinet Secretary on 17 February 2026.[81]

Committee View

86. The Committee recognises the developments relating to devolved taxation that have taken place during the Sixth Senedd as well as the work being undertaken by the Welsh Government to develop proposals around how taxation and related procedures should be considered in an expanded Senedd. As stated in Chapter 1 of this report, any steps to develop a new budget process for an expanded Senedd should be taken forward together by the Welsh Government and the Senedd, and we reiterate those views here.

87. The Committee also notes ongoing developments relating to devolved taxation, including proposals for a Vacant Land tax and the proposals for the Senedd to set Welsh rates of property income tax. We also note that the findings of independent research into options for income tax devolution in Wales was also published in March 2026. However, we recognise that some of these proposals are still in an early stage and we believe that the Welsh Government should continue to involve the Committee in their development.

Recommendation 9. The Committee recommends that the next Welsh Government provides an update to its successor committee on developments relating to proposals for a Vacant Land tax, and the devolution of property income taxation powers, by September 2026.

[80] Plenary, RoP, 3 February 2026
[81] Letter from the Cabinet Secretary for Finance and Welsh Language to the Finance Committee, 17 February 2026

3. Committee Inquiries

88. During the Sixth Senedd, the Committee has conducted the following pro-active inquiries.[82]

Post-EU Funding Arrangements

89. In 2022, the Committee conducted a short inquiry into Post-EU Funding Arrangements, with particular focus on the Community Renewal Fund, the Levelling Up Fund and the Shared Prosperity Fund.[83]

90. The Committee published its report in October 2022, setting out 20 recommendations and five conclusions directed to the Welsh Government, UK Government or jointly to both.[84] All recommendations directed to the Welsh Government were accepted.[85] The UK Government responded to the report in November 2022.[86]

Fiscal Intergovernmental Relations

91. In December 2023, the Committee undertook an inquiry into Fiscal Intergovernmental Relations (IGR).[87] This was informed by budget scrutiny work undertaken in the Sixth Senedd, which highlighted that Welsh Government spending decisions were frequently constrained by outdated structures and processes, that no longer reflected the UK's current territorial realities.[88]

92. To inform the inquiry, the Committee issued a public consultation, undertook evidence sessions[89] and wrote to international institutions for examples of (IGR) good practice.[90]

[82] Finance Committee, Completed work and published reports
[83] Finance Committee, Inquiry, into Post-EU funding arrangements
[84] Finance Committee, Post-EU funding arrangements report, October 2022
[85] Welsh Government, Response to Finance Committee's report on Post-EU funding arrangements, November 2022
[86] UK Government, Response to Finance Committee's report on Post-EU funding arrangements, November 2022
[87] Finance Committee, Inquiry into Fiscal Intergovernmental Relations
[88] Finance Committee, Fiscal Intergovernmental Relations report, October 2024
[89] Finance Committee, Inquiry into Fiscal Intergovernmental Relations
[90] Letter from the Finance Committee to international institutions, 29 May 2024

93. The Committee was disappointed that the then Chief Secretary to the Treasury and the then Financial Secretary to the Treasury declined the invitation to attend an oral evidence session.

94. In its report, the Committee made 18 recommendations and five conclusions, which focused on supporting more equitable relationships between the Treasury and the devolved governments of the UK.[91] The report also raised issues relating to securing greater budget flexibilities for the Welsh Government in managing its own funding and for greater transparency in relation to how the UK Government's devolved funding decisions in relation to Wales are made.

95. A response was received from the Welsh Government[92], but it received no recognition from the Treasury, echoing wider difficulties the Committee has faced in securing meaningful engagement throughout the Sixth Senedd.[93]

96. During our legacy session, the Cabinet Secretary reflected on whether the new IGR structures have enabled fiscal issues specific to Wales to be raised more effectively with the UK Government:

> *"… I do think that the gains that were made in that inter-governmental relations work have been real and they are maybe more real in the FISC than they are in some other aspects of that architecture, because it has operated as it was intended in its regularity of meetings and in having a slightly greater degree of equality of participation between the four nations."*[94]

97. The Cabinet Secretary indicated that "institutional arrangements" have "changed very positively" following the change in UK Government in 2024.[95]

98. However, he stated that underlying challenges remain, particularly the frequent turnover of Chief Secretaries to the Treasury, which disrupts continuity and requires discussions to restart with new counterparts.[96]

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91 Finance Committee, Fiscal Intergovernmental Relations report, October 2024
92 Welsh Government, Response to Finance Committee's report on Fiscal Intergovernmental relations, November 2024
93 Plenary, RoP, 11 December 2024, Paragraph 242
94 Finance Committee, RoP, 11 February 2026, paragraph 78
95 Finance Committee, RoP, 11 February 2026, paragraph 78
96 Finance Committee, RoP, 11 February 2026, Paragraph 79

Financial Transactions Capital

99. In 2024, the Committee undertook an inquiry into Financial Transactions Capital (FTC).[97]

100. The Committee recognised FTC as a useful fiscal tool but concluded, "the Welsh Government's ability to maximise its effectiveness is hampered by the uncertain nature and strict rules around its use which are set centrally by the UK Government".[98]

101. Of the 15 recommendations made by the Committee in its report[99], all were either accepted or accepted in principle by the Welsh Government.[100]

102. As a result of one of the Committee's recommendations[101], a more detailed breakdown of proposed FTC allocations was provided in the Welsh Government Draft Budget documentation for 2025-26[102], and 2026-27[103].

103. In light of the Committee's report, we heard that the Welsh Government is:

> *"… looking at ways in which we can use FTC alongside conventional capital to increase the capacity of social landlords to be able to borrow money for investment in the sector—so, combined grants, low-cost loans and equity as well, alongside Government guarantees."*[104]

104. The Cabinet Secretary highlighted the value and impact of the Committee's pro-active inquiries:

> *"… some of the most helpful reports from the committee are the work that you have chosen to do, not on the budget process directly, but, for example, the report that you produced on financial transactions capital. We have made a lot of use of*

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[97] Finance Committee, Inquiry into Financial Transactions Capital
[98] Finance Committee, Financial Transactions Capital report, November 2024, Conclusion 1
[99] Finance Committee, Financial Transactions Capital report, November 2024
[100] Welsh Government, Response to Finance Committee's report on Financial Transactions Capital, January 2025
[101] Finance Committee, Financial Transactions Capital report, November 2024, Recommendation 4
[102] Welsh Government, Draft Budget Narrative, December 2024
[103] Welsh Government, Detailed Draft Budget Report 2026-27, November 2025
[104] Finance Committee, RoP, 1 December 2025, paragraph 180

> *that and tried to make some real progress in the recommendations you made."*[105]

Committee View

105. The Committee notes the proactive work undertaken during the Senedd in relation to Post-EU Funding Arrangements, Fiscal IGR and FTC and recognises that these are areas of ongoing activity. The Committee welcomes the views of the Cabinet Secretary on the value of our inquiries, particularly the issues we identified during our inquiry on FTC.

106. However, the nature of the Committee's remit during the Sixth Senedd has limited the opportunities available to conduct policy inquiries relating to finance policy. We consider that undertaking such inquiries provides clear benefits and believe that this should be taken into account when deciding on the scope of our successor Committee's remit.

107. We also refer to the issues raised in our letter to the Chair's Forum in regard to its Review of Committee Effectiveness. As the Forum's consultation document states, the Committee is one of the two smallest in the Sixth Senedd. While this has not led to quorum issues to date, the size of our membership has meant that we have been close to being inquorate, especially when Members are unable to attend at short notice or due to unforeseen circumstances. It has made us more susceptible to logistical challenges and placed greater pressure on Members to attend every meeting than would be the case in larger committees. A smaller membership also presents practical challenges in organising external visits and engagement events.[106]

Recommendation 10. The Committee recommends that the Business Committee of the Seventh Senedd ensures that its successor committee's remit should not be overburdened so as to allow for regular proactive finance-policy inquiries to be undertaken.

Recommendation 11. The Committee recommends that the membership of its successor committee should be increased to improve resilience against inquorate meetings, ease attendance pressures, strengthen capacity for external engagement event, and that appropriate gender balance should be considered as part of its composition.

[105] Finance Committee, RoP, 11 February 2026, paragraph 124
[106] Letter from the Finance Committee to the Chair's Forum, 6 October 2025

108. The Committee has undertaken extensive scrutiny of IGR during the Sixth Senedd. In addition to our inquiry, we have also supported the Welsh Government in taking action to secure greater budget flexibilities and for greater transparency around how Treasury funding decisions in devolved areas are made. These are themes that have continually been raised in our budget scrutiny work, most recently in our consideration of the Second Supplementary Budget 2025-26.[107] Despite our work, we are particularly disappointed that the Treasury has declined invitations to attend oral evidence sessions with the Committee and has not engaged with our inquiry. While we understand that this has not been helped by high ministerial turnover in Whitehall, which has hindered continuity and impeded the development of more constructive and stable intergovernmental working relationships, this attitude from central government to engaging with the Senedd on fiscal matters remains regrettable and an ongoing issue for the next Senedd.

Recommendation 12. The Committee recommends that its successor committee monitors progress against the recommendations set out in its reports on Fiscal Intergovernmental Relations, Financial Transactions Capital and Post-EU Funding Arrangements.

[107] Finance Committee, Scrutiny of the Second Supplementary Budget 2025-26, March 2026

4. Legislation

Financial Implications of Bills

109. While there is no specific role for the Committee as part of the legislative process (unless a Bill is referred to the Committee to consider the general principles), Standing Orders state that the Committee:

> *"... may also consider and report on any other matter relating to or affecting financing, or expenditure out of the Welsh Consolidated Fund."*[108]

110. The Committee's remit during the Sixth Senedd also states that it "may scrutinise legislation introduced to the Senedd".[109]

111. It has been standard practice for the Committee to scrutinise the financial implications of Bills introduced into the Senedd, unless they give rise to no or very little costs. The Committee has reported on 24 of the 31[110] Bills introduced during this Senedd, including three Member Bills[111] and two Bills referred to the Committee for Stage 1 consideration of the general principles.[112]

112. Early in this Senedd, the Committee expressed concerns that the Welsh Government had moved away from providing a written response to its reports on the financial implications of Bills before asking Members to authorise spending arising from a Bill. The Committee asked Ministers to return to the previous practice of providing a written response to the Committee's recommendations before the Stage 1 debate and Financial Resolution, to enable the Senedd to make informed decisions about allocating resources.[113]

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108 Standing Orders of the Welsh Parliament: Standing Order 19.3
109 Business Committee , Report on Sixth Senedd Committees: Titles and remits, June 2021
110 The Committee did not report on the following Bills: Historic Environment (Wales) Bill; Senedd Cymru (Electoral Candidate Lists) Bill; Legislation (Procedure, Publication and Repeals) (Wales) Bill; Planning (Wales) Bill; Planning (Consequential Provisions) (Wales) Bill; Prohibition of Greyhound Racing (Wales) Bill; Mental Health Review Tribunal for Wales (Membership) Bill
111 Food (Wales) Bill (Peter Fox MS); Residential Outdoor Education (Wales) Bill (Sam Rowlands MS); British Sign Language (Wales) Bill (Mark Isherwood MS)
112 Welsh Tax Acts etc. (Power to Modify) Bill; Visitor Accommodation (Register and Levy) Etc. (Wales) Bill
113 Letter from the Finance Committee to the First Minister, 16 November 2022

113. Following further correspondence between the Welsh Government[114] and the Committee[115], the Trefnydd gave a commitment that "all Welsh Ministers will endeavour to respond to the Finance Committee's Stage 1 report for Senedd Bills in advance of the General Principles debate on that Bill".[116]

114. While Regulatory Impact Assessments (RIAs) accompanying Bills have generally included a set format for the summary of costs, the main content has still varied in presentation and approach. This was reflected in the Committee's response to the Business Committee's review of the Public Bill and Member Bill processes:

> *"The Committee welcomes improvements to the financial information provided alongside Bills introduced during the Sixth Senedd, most notably the provision of affordability assessments alongside RIAs. However, we also note that the financial information provided can vary significantly from Bill to Bill and greater efforts should be made to develop a consistently high standard of presentation."*[117]

115. The Committee has seen different approaches to presenting information. For example, the Building Safety (Wales) Bill was accompanied by separate cost and benefit model reports[118], and the Infrastructure (Wales) Bill was accompanied by a methodology paper[119]. In a letter to the Finance Committee in May 2023, the then Minister for Finance and Local Government set out the Welsh Government's intention to include a "supplementary financial analysis" which focuses on affordability of future Bills.[120] The Elections and Elected Bodies (Wales) Bill was the first to include such an affordability assessment alongside the RIA, which led to the Committee making the following recommendation:

> *"**Recommendation 5.** The Committee believes that the introduction of an affordability assessment, such as the one*

[114] Letter from the First Minister to the Finance Committee, 7 December 2022
[115] Letter from the Finance Committee to the First Minister, 19 December 2022
[116] Letter from the Minister for Rural Affairs and North Wales and Trefnydd to the Finance Committee, , 15 February 2023
[117] Business Committee review of the Public Bill and Member Bill processes: Response from the Finance Committee, March 2025
[118] Finance Committee, Financial implications of the Building Safety (Wales) Bill, November 2025, paragraph 19
[119] Finance Committee, Financial Implications of the Infrastructure (Wales) Bill, November 2023, paragraph 2
[120] Letter from the Minister for Finance and Local Government to the Finance Committee, May 2023

> *provided in this Bill, serves as a good practice model for future legislation and we recommend that the Welsh Government continues with this new approach."*[121]

116. The Welsh Government has subsequently included an affordability assessment as standard. In its report on the review of the Public Bill and Member Bill processes, the Business Committee agreed that the established practice of providing affordability assessments in respect of government Bills should continue in the Seventh Senedd:

> *"**Recommendation 2.** The Welsh Government in the Seventh Senedd should continue the good practice established in the Sixth Senedd of including in the explanatory memorandums and regulatory impact assessments for its Bills an assessment of the affordability of the financial implications."*[122]

117. Reflecting on the quality and accuracy of costs presented in RIAs accompanying Bills, the Cabinet Secretary explained that some Bills, such as the British Sign Language (Wales) Bill, have easily identifiable costs, making RIAs more straightforward. While others, like the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill, encompass future decisions not yet made, making cost estimation "a very different prospect". To address this, he highlighted a shift towards providing cost ranges and emphasised the need for RIAs to be clear about data limitations:

> *"… I think the challenge is less about whether the RIA system can be improved and more about recognising that, amongst those 24 pieces of legislation, some of them are just easier to cost and some of them are very challenging to cost, and as a result, sometimes the Senedd gets quite broad ranges that I know the Finance Committee has not always felt were good enough for the purpose."*[123]

118. The Committee has frequently noted that RIAs accompanying Bills lack sufficient detail on the costs of related subordinate legislation, particularly given

[121] Finance Committee, Financial Implications of the Elections and Elected Bodies (Wales) Bill, January 2024
[122] Business Committee, Amending Standing Orders: Standing Order 26 Acts of the Senedd, and consequential changes to Standing Orders 26A Private Acts of the Senedd, 26B Hybrid Acts of the Senedd and 26C Consolidation Acts of the Senedd, March 2026
[123] Finance Committee, RoP, 11 February 2026, paragraphs 106-108

the number of framework Bills introduced during the Sixth Senedd. This has led to the Committee making a number of recommendations calling for full and robust RIAs for subordinate legislation made under Bills.[124]

119. The Welsh Government's handbook on Senedd Bills says:

> *"The RIA should set out a best estimate of the cost of the legislation as a whole and this includes any associated subordinate legislation. Even where the precise detail of subordinate legislation has not been finalised, a best estimate of the likely costs and benefits is required to enable the Senedd to fully scrutinise the legislation."*[125]

120. When asked about the usefulness of RIA estimates when setting the Welsh Government's annual budget, the Cabinet Secretary explained that Ministers proposing legislation must plan and fund its financial implications within their own departmental budgets, as there is no central pot for implementation. He acknowledged that this creates challenges for departments, but emphasised that legislative ambitions, both primary and secondary, must be affordable to proceed.[126]

121. The Finance Committee of the Fifth Senedd conducted an inquiry into the financial estimates accompanying legislation.[127] In its legacy report, it suggested that the "responsible committee of the Sixth Senedd may wish to conduct a similar inquiry into the financial estimates accompanying legislation" and went on to recommend:

> *"**Recommendation 13.** The Committee recommends that the responsible committee of the Sixth Senedd undertakes further work to improve the quality of the financial information contained in Regulatory Impact Assessments."*[128]

[124] For example: Health Service Procurement (Wales) Bill, April 2023 (Recommendation 2); Elections and Elected Bodies (Wales) Bill, January 2024 (Recommendation 1); Welsh Language and Education (Wales) Bill, December 2024 (Recommendation 3); Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill, October 2025 (Recommendation 2)
[125] Welsh Government, Legislation Handbook on Senedd Bills, September 2024, paragraph 6.37
[126] Finance Committee, RoP, 11 February 2026, paragraphs 110 and 114
[127] Finance Committee (Fifth Senedd), Inquiry into the financial estimates accompanying legislation, October 2017
[128] Finance Committee, Fifth Senedd Legacy Report, March 2021, page 44

Committee View

122. Standing Orders empower the Committee to examine any matter relating to financing or expenditure from the Welsh Consolidated Fund (WCF). In line with this mandate, we have continued the established practice of scrutinising the financial implications of Bills introduced into the Senedd. Our scrutiny has focused on testing the Welsh Government's analysis, understanding the resource implications of new policies, and gaining assurance that the financial impact of legislation on the public purse has been properly considered during policy development.

123. Early in this Senedd, we expressed concern that the Welsh Government had not provided written responses to our reports on the financial implications of Bills ahead of the Stage 1 debate and Financial Resolution. We welcomed the subsequent commitment that Ministers would endeavour to provide such responses in advance of the debate. This practice has supported effective scrutiny and ensured that Members are better informed before voting to authorise expenditure.

124. We welcome the improvements made to the financial information presented in RIAs, particularly the routine inclusion of affordability assessments. However, the standard of financial analysis has varied significantly between Bills. We recognise the diversity of approaches taken, such as the use of costs and benefits model reports and methodology papers and, while we agree that flexibility is sometimes appropriate, a core set of standards should be applied to ensure consistency. We acknowledge the Cabinet Secretary's view that some Bills are inherently easier to cost than others. The move towards presenting cost ranges is generally helpful, but only where the underlying assumptions and uncertainties are clearly explained to support transparency and understanding.

125. A recurring theme throughout this Senedd relates to insufficient detail on the financial implications of subordinate legislation, reflecting the high number of framework Bills brought forward since 2021. This remains a significant concern given enabling Bills frequently leave major policy design and associated costs to future regulations. We acknowledge that the Welsh Government includes financial information in Explanatory Memoranda accompanying subordinate legislation. However, this is a poor substitution to providing up-front costs in the RIA presented alongside the Bill, as the time and level of scrutiny afforded to subordinate legislation is limited. The Welsh Government's own handbook requires best estimates for such costs wherever possible, even where full details are not yet finalised. We are not persuaded that this requirement has been consistently met.

126. We also note the Cabinet Secretary's expectation that Ministers must fund the financial implications of their Bills from within departmental budgets. This is laudable and reinforces the need for high-quality, realistic financial information to ensure that legislative ambition is genuinely deliverable. Our successor committee will need to monitor the effectiveness of this approach when scrutinising the financial implications of Bills introduced in the Seventh Senedd.

127. The Finance Committee of the Fifth Senedd previously recommended that the responsible committee in the Sixth Senedd should undertake further work to improve the quality of financial information included in RIAs. While the Committee has worked to these principles as a matter of course through its scrutiny of Bills during the Sixth Senedd, we would have welcomed the opportunity to examine these issues in greater depth. However, our Standing Order, statutory and oversight responsibilities meant that we had limited capacity to pursue such proactive work. Given the volume of legislation introduced during this Senedd, and ongoing concerns about variability in RIAs and subordinate legislation, we believe this area warrants further examination.

Conclusion 2. The Committee believes the detailed scrutiny of the financial implications of Senedd Bills is vital and should remain a feature of the successor committee's practice in the Seventh Senedd.

Recommendation 13. Building on the Fifth Senedd Finance Committee's inquiry into the financial estimates accompanying legislation, the Committee recommends that the responsible committee considers conducting a review of the effectiveness of Regulatory Impact Assessments and financial information relating to subordinate legislation during the Seventh Senedd.

Post-legislative Scrutiny

Post-legislative review of the Public Services Ombudsman (Wales) Act 2019

128. The role of the Public Services Ombudsman for Wales (the Ombudsman) was established by the Public Services Ombudsman (Wales) Act 2005 (the 2005 Act).[129] The Public Services Ombudsman (Wales) Act 2019 (the 2019 Act) restated

[129] Public Services Ombudsman (Wales) Act 2005 (c. 10)

provisions within the 2005 Act but also included new powers for the Ombudsman.[130]

129. Section 73 of the 2019 Act required the Senedd to "as soon as practicable after the end of the 5 year period, prepare and publish a report on the operation and effect of this Act during the 5 year period". The 2019 Act also required the Senedd to "consult such persons as it considers appropriate" as part of that review. The five-year period ran from the date of Royal Assent until 21 May 2024.[131]

130. In accordance with Standing Order 18A.2(i), the Committee was responsible for reviewing the 2019 Act.[132]

131. While the five-year period came to an end in May 2024, the Committee was unable to begin its inquiry until later in the year[133] due to an instruction from the Senedd to conduct a review into the operations, processes and investigations carried out by the Ombudsman (further information about this inquiry is considered in Chapter 5).[134]

132. The Committee issued a consultation and undertook a number of evidence sessions to inform its review.[135]

133. The Committee's report concluded that the 2019 Act provided an effective statutory foundation for the Ombudsman's work. The majority of recommendations focused on ways the Ombudsman could enhance current process to provide an even greater service to the public. There were no calls for major changes to the powers provided to the Ombudsman through the 2019 Act.[136]

134. Both the Ombudsman[137] and Welsh Government[138] accepted the recommendations made to them, however the Committee has not received an update on works to implement the recommendations.

[130] Public Services Ombudsman (Wales) Act 2019 (anaw 3)
[131] Public Services Ombudsman (Wales) Act 2019, Section 73
[132] Standing Orders of the Welsh Parliament, January 2026
[133] Finance Committee, Agenda, 12 December 2024
[134] Finance Committee, Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales.
[135] Finance Committee, Post-legislative review of the Public Services Ombudsman (Wales) Act 2019
[136] Finance Committee, Report: Post-legislative review of the Public Services Ombudsman (Wales) Act 2019, October 2025
[137] Letter from the Public Services Ombudsman for Wales to the Finance Committee, 5 December 2025
[138] Letter from the Cabinet Secretary for Education to the Finance Committee, 17 November 2025

Committee View

135. The Committee believes that its review of the 2019 Act clearly demonstrates the value and importance of post-legislative scrutiny. We welcome the constructive role such scrutiny plays within the wider legislative cycle, ensuring that laws passed by the Senedd continue to serve the public effectively, achieve their intended objectives and provide value for money. We also believe in the importance of monitoring the real world performance of legislation and the need for scrutiny to continue once Acts are implemented.

Recommendation 14. The Committee recommends that its successor committee continues to monitor the financial performance of legislation once they are implemented and considers the importance of post-implementation reviews in scrutinising the financial implications of Bills to ensure that Acts meet their stated objectives and provide value for money.

136. The Committee notes that whilst both the Ombudsman and Welsh Government accepted the recommendations made to them, there was little detail as to how they would be progressed and implemented. As some of these recommendations requested an update by Autumn 2026, we urge the committee responsible for the oversight of the Ombudsman in the Seventh Senedd to review progress made in implementing these recommendations.

Recommendation 15. The Committee recommends that the committee responsible for the oversight of the Ombudsman in the Seventh Senedd reviews progress made in implementing the recommendations made following the post-legislative review of the Public Services Ombudsman (Wales) Act 2019.

Public Engagement

137. To support its legislative scrutiny the Committee has implemented innovative ways to engage with its stakeholders.

138. As part of its consultation for the post-legislative review of the 2019 Act the Committee agreed to accept oral consultation responses in addition to those submitted in writing. This decision was made to ensure that the review was available to a wider demographic, in line with the provisions of the 2019 Act which enables the Ombudsman to accept complaints orally to ensure this service are available to all who need it.

139. The Committee considered the financial implications of the British Sign Language (Wales) Bill during autumn 2025,[139] which aims to promote and facilitate the use of British Sign Language (BSL)[140]. The Committee agreed that the use of BSL should play a key role during its scrutiny and ensured:

- that BSL interpretation was available for both evidence sessions on the Bill which were broadcast live on Senedd.TV;
- an overview of the Committee's finding was included within the BSL summary of the Stage 1 reports;
- the Welsh Government also provided its response to the Committee's report in BSL.[141]

Committee View

140. The Committee is proud of its commitment in ensuring that scrutiny is accessible, inclusive, and reflective of the communities the Senedd serves.

141. We believe that establishing a clear, pre-agreed process for handling oral submissions as part of our work in reviewing the 2019 Act represents a positive step forward. Similarly, we believe that providing BSL interpretation demonstrates good practice for future scrutiny sessions where accessibility, language rights, or equality considerations are central to the policy intent.

142. The Committee is satisfied that these developments mark a meaningful shift towards more innovative, inclusive, and user focused engagement and encourages our successor committee to consider adopting similar approaches where appropriate.

Recommendation 16. The Committee recommends that its successor committee considers innovative ways to engage with its stakeholders to support wider engagement and improve the inclusivity of committee scrutiny.

[139] British Sign Language (Wales) Bill
[140] British Sign Language (Wales) Bill: Explanatory Memorandum, July 2025, page 1
[141] British Sign Language (Wales) Bill

5. Directly Funded Bodies

143. Directly Funded Bodies (DFBs) are bodies that are funded directly from the WCF. They include:

- Senedd Commission;
- Wales Audit Office (WAO);
- Public Services Ombudsman for Wales (Ombudsman);
- Electoral Commission (in relation to devolved Welsh elections and referendums, as required under paragraph 16A of Schedule 1 to the Political Parties, Elections and Referendums Act 2000).

144. Each of these bodies are required to submit a budget or estimate for approval by the Senedd in accordance with Standing Order 20.

145. The Finance Committee is responsible for scrutinising the budgets/estimates of the Senedd Commission, Audit Wales and the Ombudsman. The Llywydd's Committee is responsible for scrutiny of the Electoral Commission's estimate.

146. During the Sixth Senedd, the Committee's responsibilities have also included oversight of the WAO and the Ombudsman.[142]

Statement of Principles

147. During the Fifth Senedd, the previous Committee conducted a short inquiry into the funding of DFBs, with the aim of ensuring that a consistent approach is taken when preparing their annual budget proposals.[143] It subsequently issued a Statement of Principles (the Principles) in 2019 to guide DFBs in preparing their annual budget proposals.[144]

148. Paragraph 9 of the Principles gives a commitment that the Committee will review the document the year of implementation and periodically thereafter. The Principles were reviewed in 2020 and maintained unchanged. At the start of the Sixth Senedd, this Committee confirmed their continued use[145] and suggested

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[142] Business Committee report: Sixth Senedd Committees titles and remits, June 2021
[143] Finance Committee, Inquiry into the funding of Directly Funded Bodies, March 2019
[144] Statement of Principles that the Finance Committee of Senedd Cymru expects Directly Funded Bodies to have regard to when making budget proposals, May 2019
[145] Statement of Principles that the Finance Committee of Senedd Cymru expects Directly

that they continue to apply to the Electoral Commission to ensure a consistent approach.[146] The Llywydd's Committee noted the letter at its meeting on 18 October 2021, agreed to adopt the Principles and requested the Electoral Commission have regard to it in the preparation of its budget proposals.[147]

149. In April 2023, the Committee decided it was an appropriate time to revisit the Principles. The Committee wrote to all DFBs[148] and the Welsh Government[149] to gather feedback, assess whether the Principles were still effective and relevant, and identify any areas where updates or refinements might be needed.

150. After considering responses from DFBs[150] and the then Minister[151], the Committee noted broad support for the Principles which indicated that they remain effective, relevant and appropriate. We concluded that no changes to the Principles were necessary, noting that their value lies in providing clear, high-level direction and a consistent basis for scrutiny.[152]

151. The Committee reflected on feedback that the usefulness of the information provided by the Welsh Government to inform DFBs' budgetary planning was limited, and asked the then Minister to consider whether any additional information could be shared.[153]

152. While noting that uncertainty around the Welsh Government's own financial position limits the level of detail the Welsh Government can offer about future years, the then Minister indicated her willingness to explore whether additional longer-term information, based on different funding scenarios could be provided.[154]

Funded Bodies to have regard to when making budget proposals, July 2021
[146] Letter to the Chair of the Llywydd's Committee from the Finance Committee, 15 July 2021
[147] Llywydd's Committee, Minutes, 11 October 2021, paragraph 3.2
[148] Letter to the Directly Funded Bodies from the Finance Committee, 4 May 2023
[149] Letter to the Minister for Finance and Local Government from the Finance Committee, 9 May 2023
[150] Letter from the Senedd Commission to the Finance Committee, 23 June 2023; Letter from Audit Wales to the Finance Committee, 16 June 2023; Letter from the Public Services Ombudsman for Wales to the Finance Committee, 12 June 2023; Letter from the Electoral Commission to the Finance Committee, 8 June 2023
[151] Letter from the Minister for Finance and Local Government to the Finance Committee, 15 June 2023
[152] Letter to the Directly Funded Bodies from the Finance Committee, 18 October 2023
[153] Letter to the Minister for Finance and Local Government from the Finance Committee, 18 October 2023
[154] Letter from the Minister for Finance and Local Government to the Finance Committee, 14 November 2023

153. During our evidence session on 25 February 2026, the Chief Executive and Clerk of the Senedd confirmed that the Commission has "found the statement of principles a very useful guide", adding that:

> *"We've always tried to budget in a transparent way, in a detailed way, and in a prudent way, of course, and to only ask for what we need, and to base that request on data and evidence, and then spend it in accordance with a plan, and, of course, consider the broader context in terms of public expenditure."*[155]

Committee View

154. The Committee believes that the Principles continues to set clear expectations on how DFBs should manage and approach their budgets. In particular, the Committee believes that the budgets/estimates of DFBs should reflect the wider public sector context in Wales and should not be considered in isolation from the budgets of other public services. We also note that the Principles were adopted by the Llywydd's Committee and that the Electoral Commission should have regard to it when preparing their budgets.

155. While funding requests from DFBs are considered on their own merits, DFBs must be mindful of the impact of the overall call on the WCF and the wider economic and fiscal climate when preparing funding requests. To ensure they are taken forward in the Seventh Senedd, we call on our successor committee to regularly review them so they remain relevant and fit for purpose.

Recommendation 17. The Committee recommends that its successor committee continues to regularly review the Statement of Principles for Directly Funded Bodies.

Recommendation 18. The Committee urges its successor committee to be mindful of the cumulative call on the Welsh Consolidated Fund when considering the individual funding requests from Directly Funded Bodies.

Changing Supplementary Budget Procedures

156. The Finance Committee of the Fifth Senedd recommended in its Legacy Report that the Committee in the Sixth Senedd "undertakes further work to

[155] Finance Committee, RoP, 25 February 2026, paragraph 40

consider whether the Standing Orders in relation to supplementary budgets should be reviewed".[156]

157. As part of the Committee's review of the Principles, we also invited DFBs to share their views on the supplementary budget process and to comment on whether the arrangements provide sufficient flexibility.[157]

158. DFBs initially expressed little support for wholesale changes to the Standing Orders governing supplementary budget procedures.[158] However, the Committee questioned whether the current process remains appropriate, particularly in a scenario where DFBs request additional funding despite the Welsh Government indicating that it does not intend to bring forward a supplementary budget to release the funds. While it is longstanding practice for the Welsh Government to include DFBs' variations in its supplementary budget motion, this is not explicitly required in Standing Orders. The Committee therefore sought further views on whether the rules should be clarified to remove ambiguity.[159]

159. Although the Committee did not support the Auditor General's proposal to amend Standing Orders to require the Welsh Government to notify DFBs in advance of any supplementary budget, we recognised the practical challenges created by uncertainty over timing. To help address these issues, the Chair wrote to the then Minister requesting proactive and timely communication of any planned supplementary budgets.[160]

160. In response, the then Minister explained that the usual publication months are June and February, though exact timings depend on the Senedd calendar and UK Government estimates. She indicated that DFBs are notified at the same time as the Committee, and confirmed that she would copy this letter directly to DFBs to formalise communication of supplementary budget dates.[161]

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[156] Finance Committee, Fifth Senedd Legacy Report, March 2021, Recommendation 11
[157] Letter to the Directly Funded Bodies from the Finance Committee, 4 May 2023
[158] Letter from the Senedd Commission to the Finance Committee, 23 June 2023; Letter from Audit Wales to the Finance Committee, 16 June 2023; Letter from the Public Services Ombudsman for Wales to the Finance Committee, 12 June 2023; Letter from the Electoral Commission to the Finance Committee, 8 June 2023
[159] Letter to the Directly Funded Bodies from the Finance Committee, 18 October 2023
[160] Letter to the Minister for Finance and Local Government from the Finance Committee, 18 October 2023
[161] Letter from the Minister for Finance and Local Government to the Finance Committee, 14 November 2023

161. On 1 July 2025, we wrote again to the Cabinet Secretary summarising the issues raised by the DFBs on this issue and asking for views on the proposals and timescales for agreement.[162] The Cabinet Secretary confirmed in response that:

> *"While we can see merit in formalising elements of the proposals, I do not believe it is essential to make any of the changes in advance of the more comprehensive package of changes to be considered by the new Senedd."*[163]

Committee View

162. The Committee is grateful to the DFBs for their views and engagement during the Sixth Senedd on ways in which the Senedd's supplementary budget procedures as they apply to DFBs can be improved. We believe these requests are proportionate and sensible and are disappointed that these were not able to be progressed during this Senedd.

163. However, given the clear views expressed by the DFBs, we believe that work to address shortfalls in the supplementary budget procedures as they apply to DFBs should continue in the Seventh Senedd.

Recommendation 19. The Committee recommends that its successor committee should work to review supplementary budget procedures as they apply to Directly Funded Bodies, ensuring that the proportionate requests raised during the Sixth Senedd are addressed and the identified procedural shortfalls are resolved.

Senedd Commission

Budget Engagement

164. The Senedd's Standing Order 20.13 states that:

> *"Not later than 1 October in each financial year, a member of the Commission must lay before the Senedd a draft budget for the Commission setting out the amounts of resources and cash which the Commission proposes to use for the following financial year and provisional amounts for the subsequent two*

[162] Letter from the Finance Committee to the Cabinet Secretary for Finance and Welsh Language, 1 July 2025
[163] Letter from the Cabinet Secretary for Finance and Welsh Language to the Finance Committee, 22 July 2025

years or for such other period as the Commission has agreed with the Welsh Ministers."[164]

165. The Committee is responsible for reporting on this Draft Budget. Standing Order 20.14 states that:

"The responsible committee's report may recommend variations in the amounts proposed in the draft budget provided that the net effect of those variations would not increase the aggregate amounts of resources or cash proposed in the draft budget for the Commission."[165]

166. In our report on the Commission's Draft Budget 2025-26, we recommended that the Commission considered formalising its engagement with Members of the Senedd and Party Groups prior to the publication of its Draft Budget for 2026-27 and that sufficient time is provided to ensure that the outcomes of this engagement is able to influence budgetary decision making.[166]

167. The Llywydd explained the usefulness of this approach which they took forward as part of setting their 2026-27 Draft Budget:

"… one additional aspect that I think has been very helpful in providing greater ownership by the whole Senedd and all Members of the budget that the Commission does take through was an area of work that was started by Hefin David as he became Senedd Commissioner. He was very keen to ensure that more Members had an early ability to feed into budget asks within a Commission budget, and have views on some tightening, where some things could change, by involving the political groups. And that was a new venture by him, led by him, and I think has proved fruitful …"[167]

168. The Llywydd added that "I hope a new Commission, and lead finance Commissioner, will want to take into the future".[168]

[164] Standing Orders of the Welsh Parliament: Standing Order 20.13
[165] Welsh Parliament, Standing Orders of the Welsh Parliament, January 2026
[166] Finance Committee, Scrutiny of the Senedd Commission Draft Budget 2026-27, October 2025
[167] Finance Committee, RoP, 25 February 2026, paragraph 36
[168] Finance Committee, RoP, 25 February 2026, paragraph 36

Senedd Reform

169. At the Committee's request, the Senedd Commission provided a time series of how its budget has grown as a result of Senedd Reform. Table 1 shows this information and includes Draft Budget figures for 2024-25[169], and information from the 2026-27 Draft Budget, which includes indicative figures for 2027-28 and 2028-29[170]. The Draft Budget 2026-27 states that inflationary factors of 2.5 per cent have been applied to both 2027-28 and 2028-29. These costs do not include the Second Supplementary Budget 2025-26, authorised along with the Welsh Government Second Supplementary Budget in March 2026.[171]

Table 1 Commission Budget before and after Senedd Reform: High level (£'000)

Budget Heading	2024-25 Nov'23 £'000	2025-26 (Supp#1) £'000	2026-27 Draft £'000	Change 25-26 SB to Draft 26-27 £'000	%	2027-28 Indicative £'000	2028-29 Indicative £'000
Commission Related Expenditure							
Staff salaries and related costs	£29,663	£32,801	£34,031	£1,230	3.7%	£35,052	£36,104
Accommodation and facilities	£5,991	£6,229	£6,399	£170	2.7%	£6,546	£6,698

[169] Senedd Commission, Budget 2024-25, November 2023 page 24
[170] Senedd Commission, Draft Budget 2026-27, October 2025, page 29
[171] Senedd Commission, Second Supplementary Budget 2025-26, Explanatory Memorandum, February 2026

Budget Heading	2024-25 Nov'23 £'000	2025-26 (Supp#1) £'000	2026-27 Draft £'000	Change 25-26 SB to Draft 26-27 £'000	%	2027-28 Indicative £'000	2028-29 Indicative £'000
ICT costs	£2,731	£2,944	£3,534	£590	20.0%	£3,603	£3,661
Other costs	£2,061	£2,172	£2,136	-£36	-1.7%	£2,160	£2,174
Total Revenue Expenditure	**£40,446**	**£44,146**	**£46,100**	**£1,954**	**4.4%**	**£47,361**	**£48,637**
Total Income	-£100	-£61	-£85	-£24	39.3%	-£85	-£85
Capital Expenditure	£500	£500	£500	£0	0.0%	£500	£500
Project Fund	£1,000	£2,000	£1,500	-£500	-25.0%	£1,500	£1,500
Savings to be identified	-£315	-	-	-	-	-	-
Total Operational Resource	**£41,531**	**£46,585**	**£48,015**	**£1,430**	**3.1%**	**£49,276**	**£50,552**
Interest Charges	£610	£600	£600	£0	0.0%	£600	£600
Depreciation Charges	£4,750	£5,000	£5,027	£27	0.5%	£5,027	£5,027
Ring-fenced project budgets							

Budget Heading	2024-25 Nov'23 £'000	2025-26 (Supp#1) £'000	2026-27 Draft £'000	Change 25-26 SB to Draft 26-27 £'000	%	2027-28 Indicative £'000	2028-29 Indicative £'000
Senedd Reform costs	£2,065	£6,494	£6,345	-£149	-2.3%	£6,780	£6,982
Bay 32*	£1,531	£2,401	£3,097	£696	29.0%	£1,004	£745
Total Commission Related Expenditure	**£50,487**	**£61,080**	**£63,084**	**£2,004**	**3.3%**	**£62,687**	**£63,906**
Member Related Expenditure							
Members' salaries and related costs	£19,180	£20,823	£21,232	£409	2.0%	£23,098	£23,939
Members' salaries and related costs due to Senedd Reform	£0	£0	£12,739	£12,739	..	£13,859	£14,364
Budget for the Office of the Standards Commissioner	£101	£106	£110	£4	3.8%	£112	£115

Budget Heading	2024-25 Nov'23 £'000	2025-26 (Supp#1) £'000	2026-27 Draft £'000	Change 25-26 SB to Draft 26-27 £'000	%	2027-28 Indicative £'000	2028-29 Indicative £'000
Budget to support the Independent Remuneration Board	£627	£609	£607	-£2	-0.3%	£620	£641
Election related expenditure	£0	£1,000	£4,500	£3,500	350.0%	£0	£0
Members' pension finance costs	£1,800	£1,000	£400	-£600	-60.0%	£400	£400
Total Senedd Commission Budget	**£72,195**	**£84,618**	**£102,672**	**£18,054**	**21.3%**	**£100,775**	**£103,365**

Source: Senedd Commission Budget 2024-25, (Nov 2024) and Senedd Commission Draft budget 2026-27, Table 2, Senedd Research analysis

170. The Llywydd explained how the Commission had been managing the Senedd Reform costs during the Sixth Senedd:

> *"… we've developed by having discrete budget lines for the growth budgets that we've been undertaking, as Senedd expansion and Senedd reform and Bay 32, and those have been discrete budget lines on top of business as usual. As we move on to the next stage following Senedd reform, they become business as usual. Running the new Senedd of 96 Members, with political staff and with Commission staff, that becomes the business as usual."*[172]

171. The Chief Finance Officer added:

> *"… there will be a point at which our assumptions for Senedd reform will become business as usual. At the moment, there are still a number of decisions to be taken by the seventh Senedd where our budgeting is based on assumptions … So, where we've provided forward looks at figures, they're based on reasonable assumptions around pay inflation and non-staff inflation, as well as probably reflecting some of the assumptions around Senedd reform, which are yet to be defined for us."*[173]

Cardiff Bay 2032

172. The Cardiff Bay 2032 (Bay 2032) project was established to consider future accommodation options for the Senedd Commission ahead of the Tŷ Hywel lease ending in 2032. Commissioners approved a Strategic Outline Case prepared by Avison Young (the Commission's professional advisors) in December 2023. This enabled the development of an Outline Business Case and "working up the opening preferred way forward" of "developing a new facility on the adjacent Assembly Square plot".[174]

173. On 20 January 2025, the Senedd Commission authorised the project to begin.[175] A competitive procurement process was launched by issuing a Contract Notice on 28 January 2025, which set out specifications in terms of space and requirements that would need to be met by any prospective bidders. The

[172] Finance Committee, RoP, 25 February 2026, paragraph 66
[173] Finance Committee, RoP, 25 February 2026, paragraph 67
[174] Senedd Commission, Minutes, 11 December 2023
[175] Senedd Commission, Minutes, 20 January 2025

Contract Notice did not set out the contract value or funding model, which could include (but not be limited to) an occupational, freehold or income strip lease.[176]

174. Bidders submitted proposals in June 2025, and the tender process was expected to conclude in mid-October 2025.[177]

175. Costs related to Bay 2032 are £3.097 million in the 2026-27 Draft Budget. These costs "relate to professional services for the successful bidder to advance their concept designs to a level of maturity and costing confidence that will allow consideration by the Senedd Commission of a Full Business Case during 2026".[178]

176. When asked to provide an update on the project, the Llywydd stated that:

> *"… we went out to a public tender to look for bidders for providing the requirements for the offices that we have, and we did that last year. That process has been completed, and we are now assessing that process and having discussions on contracts stemming from that process."*[179]

177. Adding that:

> *"… the final decision, with a full business case, will be assessed and approved by the next Commission—probably in the autumn of this year—and so, although the majority of the process will have been undertaken within this Commission, the decision will be transferred to the next Senedd Commission in terms of what will happen from 2032 onwards."*[180]

178. In terms of engagement with Members, the Llywydd stated that:

> *"Members have had the opportunity to outline what they wish to see in terms of offices from 2032 onwards as part of the process, some 18 months to two years ago now, before the tender went out with the requirements."*[181]

179. The Director of Senedd Resources also provided details of the "Bay 32 Member reference group", explaining that it was "a cross-party group … where we

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[176] Tender: Senedd Future Accommodation, 28 January 2025
[177] Finance Committee, RoP 1 October 2025, paragraph 106
[178] Senedd Commission, Draft Budget 2026-27, October 2025, pages 18 and 29
[179] Finance Committee, RoP, 25 February 2026, paragraph 15
[180] Finance Committee, RoP, 25 February 2026, paragraph 11
[181] Finance Committee, RoP, 25 February 2026, paragraph 15

undertook extensive workshops around options and user needs". He added that the engagement levels was "excellent" and provided "a good data set in terms of user needs for Members".[182]

Committee View

180. The Committee notes the significant increases to the Senedd Commission's budget during the Sixth Senedd to take into account the costs of Senedd Reform and the way in which the Commission has presented those costs as ring-fenced budgets to ensure transparency. We also note the scrutiny undertaken by the Committee of costs relating to Senedd Reform during the Sixth Senedd, through annual budget evidence sessions, ad hoc sessions on the Bay 2032 project, private briefings and evidence sessions in relation to the Senedd Cymru (Members and Elections) Bill.

181. We believe that the Commission's approach to engaging with the Committee and Party Groups in the Senedd in the summer recess prior to publishing its Draft Budget in the autumn, as pioneered by the late Hefin David, is effective and should continue. This is a valuable innovation and one we would strongly encourage should be re-established after the election.

Recommendation 20. The Committee recommends that the Senedd Commission engages with the our successor committee and Party Groups before the summer recess prior to publishing its Draft Budget, and urges that this effective approach be re-established after the election.

182. The Committee notes that the Commission will naturally be undergoing a transitional period at the beginning of the next Senedd. We note that a number of the current Commissioners will be standing down at May's election and seek assurances that robust structures are in place to ensure a smooth transition from one Commission to the next so that expertise and knowledge are not lost. It is imperative that corporate resilience is retained given the Senedd is about to enter into a new phase.

Recommendation 21. The Committee recommends that the Senedd Commission ensures that robust structures are in place to support a smooth transition at the start of the next Senedd term, safeguarding organisational resilience and retaining expertise.

[182] Finance Committee, RoP, 25 February 2026, paragraph 22

183. On the Bay 2032 project, the Committee welcomes the updates provided by the Commission and would expect the incoming Commission to continue to engage proactively with our successor committee in relation to these issues. We have previously recommended that the Commission provides regular updates on the project, including any budgetary impacts and continues to attend public evidence sessions on the project, as requested.[183] We reiterate this and further believe that the responsible committee of the Seventh Senedd should have a clear role in scrutinising the proposals relating to the Bay 2032 project, ensuring that due diligence has taken place prior to any agreement and informing the Senedd before it is required to make a decision.

Recommendation 22. The Committee recommends that its successor committee has a defined role in relation to the scrutiny of the Cardiff Bay 2032 project, and that the next Senedd Commission provides regular updates on developments relating to the project, including any budgetary impacts and that the Commission continues to attend public evidence sessions on the project, as requested.

Public Services Ombudsman for Wales

184. In the Fifth Senedd, the Committee considered the Ombudsman's Estimate, whilst the Equality, Local Government and Communities Committee scrutinised the Ombudsman in other areas, including the Annual Report.[184]

185. However, since the start of the Sixth Senedd, the Committee has had complete responsibility for oversight of the Ombudsman[185] as set out in Standing Order 18A.[186] This meant the Committee was responsible for the nomination of the current Ombudsman in 2021-22,[187] and was also instructed by the Senedd to undertake a review into the operations, processes and investigations carried out by the Ombudsman and the post-legislative review of the Public Services Ombudsman (Wales) Act 2019.

Annual Scrutiny of the Public Services Ombudsman for Wales

186. The Committee has conducted its annual scrutiny of the Ombudsman in the autumn term following the publication of the annual report (which is usually laid

[183] Finance Committee, Scrutiny of the Senedd Commission Draft Budget 2026-27, October 2025, Recommendation 5
[184] Business Committee, Amending Standing Orders: Standing Order 18A – Oversight of the Public Services Ombudsman for Wales, November 2019
[185] Business Committee, Sixth Senedd Committees: Titles and remits, June 2021
[186] Welsh Parliament, Standing Orders, January 2026
[187] Finance Committee, Nomination of the Public Services Ombudsman for Wales, January 2022

in July) and the submission of the estimate (which is usually shared with the Committee in September). Standing Order 20.24 states the responsible committee must lay a report including the estimate no later than 22 November.[188]

187. The Ombudsman's Estimate for 2023-24 was considered by the Committee at its meeting on 12 October 2022.[189] Whilst the Committee was supportive of the Ombudsman's plans it was acutely aware of the funding pressures across the public service in Wales. As a result the Committee wrote to the Ombudsman asking her to reflect on her funding priorities for 2023-24 and to submit a revised Estimate.[190]

188. The Ombudsman resubmitted her Estimate which was considered and agreed by the Committee at its meeting on 20 October 2022.[191]

Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales

189. The Ombudsman announced on 9 April 2024 that "an Independent Review will be conducted to provide assurance that its code of conduct processes are sound, free from political bias".[192] This followed allegations that a team leader in the Ombudsman's Code of Conduct Team had expressed personal political opinions which included offensive language on social media.[193]

190. On 17 April 2024 the Senedd passed a motion instructing the Committee under Standing Order 17.2 to conduct a review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales.[194]

191. To inform its review the Committee took evidence from the Ombudsman before the Independent Review commenced to discuss the issues leading up to the review and other matters relating to the investigation.[195]

192. The report of the Independent Review was published on 27 September 2024.[196] The Ombudsman welcomed the report "and the confirmation that

[188] Welsh Parliament, Standing Orders, January 2026
[189] Finance Committee, Agenda, 12 October 2022
[190] Letter from the Finance Committee to the Public Services Ombudsman for Wales, 13 October 2022
[191] Finance Committee, Agenda, 20 October 2022
[192] Statement by the Public Services Ombudsman Wales, 9 April 2024
[193] Letter from the Public Ombudsman for Wales to the Finance Committee, 15 April 2024
[194] Plenary, RoP, 17 April 2024, paragraphs 395-449
[195] Finance Committee, Agenda, 9 May 2024
[196] Independent review of investigations by the Public Services Ombudsman for Wales into Code of Conduct complaints, September 2024

decision making, in respect of Code of Conduct complaints, is free from political bias".[197]

193. Following the publication of the Independent Review's report the Committee discussed the findings with the Ombudsman and sought assurances as to how the recommendations made would be implemented.[198]

194. In its report the Committee came to nine conclusions and made four recommendations. We concluded that it was necessary and correct for the Ombudsman to commission the Independent Review, and are assured that no evidence of political impartiality was found and that decisions made by the Ombudsman and her staff were based purely on facts and evidence and they were not influenced by political affiliation.[199]

Committee View

195. The Committee welcomes the Ombudsman's commitment to implement all the recommendations made following the Independent Review and our own review.

196. The Committee also welcomes the updates from the Ombudsman on progress to date in implementing the recommendations. To ensure that this work continues to progress we urge the Ombudsman to continue to engage with our successor committee so that progress in this area is kept under review.

Recommendation 23. The Committee recommends that its successor committee continues to monitor the work undertaken by the Ombudsman in response to the recommendations made following the review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales.

Audit Wales

Overview of responsibilities

197. The Public Audit (Wales) Act 2013 (the 2013 Act) confers a number of functions on the Senedd.[200] During the Sixth Senedd, the functions relating to the oversight of the Auditor General for Wales (the Auditor General) and WAO have

[197] Statement by the Public Services Ombudsman for Wales, 27 September 2024
[198] Finance Committee, Agenda, 10 October 2024
[199] Finance Committee, Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales, November 2024
[200] Public Audit (Wales) Act 2013 (anaw 3)

been delegated to this Committee in Standing Orders. Its duties include approving the WAO's budget and fee schemes; reviewing key WAO documents (Annual Plan, reports and accounts); advising on the appointment or removal of the Auditor General and WAO Chair; appointing and removing WAO non-executive members; setting remuneration and terms of appointment; appointing the WAO's external auditors; and considering the auditors' reports on the WAO's accounts.[201]

198. On 5 March 2026, the Committee noted correspondence it had received from the Auditor General reflecting on his time in the role and outlining some of the challenges and opportunities facing Welsh public services.[202]

Appointment of the Auditors of the Wales Audit Office's accounts

199. Paragraph 34(1) of Schedule 1 to the 2013 Act requires the Senedd to appoint a person as auditor of the WAO's accounts, and to determine the person's term of appointment. Paragraph 34(2) permits the WAO to recommend a person for appointment.[203] The Senedd's Standing Orders delegate responsibility for the appointment of the auditors of the WAO's accounts to the Committee.[204]

200. In 2022, the Committee agreed a process for appointing the external auditors, under which the WAO conducted the procurement process with engagement from Senedd Commission officials.[205]

201. Audit Wales subsequently ran an open procurement for external audit services and the WAO Board recommended appointing RSM for an initial four-year period commencing on 2 November 2022, including a right for the WAO to extend the term annually up to a total duration of seven years (1 November 2029). The Committee agreed to appoint RSM on 12 October 2022.[206]

202. The WAO Board notified the Committee that it had agreed its first annual extension to the contract term to 1 November 2027.[207]

[201] Standing Orders of the Welsh Parliament: Standing Order 18.
[202] Letter from the Auditor General for Wales to the Finance Committee, 26 February 2026
[203] Public Audit (Wales) Act 2013 (anaw 3)
[204] Standing Orders of the Welsh Parliament: Standing Order 18.
[205] Finance Committee, Minutes (item 6), 12 October 2022
[206] Finance Committee, Minutes (item 6), 12 October 2022
[207] Letter from the Wales Audit Office Board to the Finance Committee, 23 March 2026

Review of the Public Audit (Wales) Act 2013

203. During the Sixth Senedd, the Committee considered work inherited from its Fifth Senedd predecessor on proposals to amend the 2013 Act.

204. Concerns with aspects of the 2013 Act, such as fee-charging provisions, quorum arrangements and reporting requirements, were first raised during the Fourth Assembly in 2014. Post-legislative scrutiny undertaken in the Fifth Senedd[208] led to a consultation on a draft Public Audit (Amendment) (Wales) Bill[209]. However, the Bill was not introduced before the Fifth Senedd dissolved due to time pressures, the pandemic and outstanding issues relating to the payment of the Auditor General's expenses and disqualification provisions.[210]

205. Early in the Sixth Senedd, the Committee established that the Welsh Government did not support taking forward the proposed Bill.[211] In subsequent correspondence, the then Minister for Finance and Local Government clarified her position on the Bill's key proposals, stating "I do not share your view that the case for the Bill is strong".[212] The Committee informed the Welsh Government that it would keep the matters, and the related legislative proposals, under review.[213]

206. Following the disqualification of the WAO Chair in 2024 (discussed later in Chapter 6), the Committee decided to look again at the operation of the 2013 Act. The Committee consulted the Auditor General on the changes to the 2013 Act that he would like to be brought forward in order of priority.[214] The Auditor General's response set out the 2013 Act changes he considered to be essential and desirable, along with desirable changes to other legislation.[215] However, the Welsh Government remained opposed to the key elements of the draft Bill proposals and did not support progressing legislative change.[216]

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[208] Finance Committee (Firth Senedd), Consideration of proposals to amend the Public Audit (Wales) Act 2013
[209] Finance Committee (Fifth Senedd), Consultation on the Draft Public Audit (Amendment) (Wales) Bill
[210] Finance Committee (Fifth Senedd), Consideration of the consultation on the draft Public Audit (Amendment) (Wales) Bill, March 2021
[211] Letter from the Minister for Finance and Local Government to the Finance Committee, 3 March 2022
[212] Letter from the Minister for Finance and Local Government to the Finance Committee, 6 April 2022
[213] Letter from the Finance Committee to the Minister for Finance and Local Government, 16 June 2022
[214] Letter from the Finance Committee to the Auditor General, 3 July 2024
[215] Letter from the Auditor General to the Finance Committee, 20 September 2024
[216] Letter from the Cabinet Secretary for Finance and Welsh Language to the Finance Committee, 11 July 2025

Committee View

207. Throughout the Senedd term, the Committee has sought to discharge its oversight functions diligently, ensuring appropriate scrutiny of the WAO's governance, financial management and operational arrangements.

208. We welcome the correspondence received from the Auditor General on 5 March 2026 reflecting on his tenure and highlighting the strategic challenges and opportunities facing Welsh public services. This engagement is valuable in helping us understand the broader context in which Audit Wales operates and the potential implications for its future work.

209. On the operation of the 2013 Act, the Committee acknowledges the Welsh Government's position on the proposed Bill. Although progress has not been possible during this Senedd term, the issues remain pertinent to the effective operation of public audit arrangements in Wales.

Recommendation 24. The Committee recommends that its successor committee explores the issues identified in the post-legislative scrutiny work on the Public Audit (Wales) Act 2013, alongside developments during the Sixth Senedd, in order to consider what options may be available for addressing and resolving those issues.

6. Public Appointments

210. During the Sixth Senedd, the Committee has been responsible for a number of appointments within its remit, which are summarised below.

Appointment of the Chair and non-executive members of the Wales Audit Office

211. Parts 1 and 2 of Schedule 1 to the 2013 Act require the Senedd to appoint five non-executive members of the WAO, based on the conclusion of fair and open competition.[217] Responsibility for appointing the non-executive members of the WAO is delegated to the Committee in Standing Orders.[218]

212. An appointment as non-executive member is for a maximum of four years and a person cannot be appointed more than twice (paragraph 6 of Schedule 1). Paragraph 5 of Schedule 1 requires the Chair of the WAO to be appointed from amongst the non-executive members and the Senedd may extend the Chair's appointment for a second term of office.[219]

213. Over the course of the Sixth Senedd, the Committee has undertaken three recruitment exercises to appoint the Chair and non-executive members of the WAO.[220] The Committee's appointments are detailed in Annex 3.

214. The anticipated vacancies during the Seventh Senedd (subject to any changes to the current membership of the WAO) are set out in Annex 4.

Disqualification of the Wales Audit Office Chair

215. Dr Kathryn Chamberlain was appointed by the Senedd on 11 January 2023 to serve a four-year term as a non-executive member and Chair of the WAO from 16 March 2023. However, it later emerged that she had taken up a role as an independent non-executive director at the Office of the Secretary of State for Wales on 1 January 2024.[221]

216. Further investigation established that this role constitutes an appointment by, or on behalf of, the Crown, which is a disqualifying office under paragraph 26

[217] Public Audit (Wales) Act 2013 (anaw 3)
[218] Standing Orders of the Welsh Parliament: Standing Order 18.10
[219] Public Audit (Wales) Act 2013 (anaw 3), Schedule 1
[220] January 2023, May 2024 and May 2025
[221] Finance Committee, Appointment of Non-Executive Members and Chair of the Wales Audit Office, May 2024, page 3

of Schedule 1 to the 2013 Act. As a result, Dr Chamberlain was automatically disqualified from her WAO roles with effect from 1 January 2024, and the Committee Chair formally notified her of this on 15 April 2024.[222]

217. To mitigate the risk of this situation being repeated, the Committee wrote to the Auditor General[223] and the non-executive members of the WAO Board, to:

- remind non-executive members of the requirements of the 2013 Act and their terms and conditions of appointment which limit the roles that may be undertaken while serving on the WAO Board;
- request that the induction and training of non-executive members, provided by the WAO, is updated to emphasise the requirements around undertaking additional roles; and
- request that any updates made to the registers of interest of non-executive members are shared with the Clerk of the Finance Committee.

218. Audit Wales responded on 11 June 2024, accepting the requested improvements and welcoming the reminder to non-executive members about their appointment conditions, and the need to notify the Committee of any changes to existing commitments.[224]

219. The Committee also continued to provide clear guidance to prospective candidates on eligibility as part of WAO recruitment campaigns, as well as undertaking due diligence checks prior to appointments being made. In addition, non-executive members could seek the view of the Committee before undertaking other roles.

220. The Committee discussed options for replacing Dr Chamberlain following her disqualification and agreed to appoint a replacement non-executive member as part of its May 2024 recruitment campaign, to ensure stability for the WAO with minimum delay. The Committee recommended Dr Ian Rees for the appointment

[222] Finance Committee, Appointment of Non-Executive Members and Chair of the Wales Audit Office, May 2024, pages 3-4
[223] Letter from the Finance Committee to the Auditor General, 13 May 2024
[224] Letter from Audit Wales to the Finance Committee, 11 June 2024

of WAO Chair, for the maximum period of four years.[225] The Senedd approved the appointment on 12 June 2024.[226]

Appointment of the Public Services Ombudsman for Wales

221. The Ombudsman is a Crown appointment made on the nomination of the Senedd under Schedule 1 to the 2019 Act.[227]

222. In 2021-22, the Committee was responsible for advising the Senedd on the appointment of the Ombudsman. The previous Ombudsman, Nick Bennett, completed his seven-year term of office in July 2021 and continued to serve in an acting capacity until March 2022.[228]

223. The role was advertised for a four week period, between 23 September and 22 October 2021, with Penna, an executive search agency, supporting aspects of the recruitment process. The role attracted 21 applicants, from ten women and eleven men. Eight applicants were shortlisted for interview by the panel. The panel comprised:

- Peredur Owen Griffiths MS, Chair of the Finance Committee (Chair of the panel);
- Rhianon Passmore MS, Member of the Finance Committee and Public Accounts and Public Administration Committee;
- Manon Antoniazzi, Chief Executive and Clerk to the Senedd; and
- Peter Tyndall, Ombudsman, Information Commissioner, and Commissioner for Environmental Information of Ireland.

224. The panel made a recommendation to the Committee on its preferred candidate for nomination. The Committee then held a pre-nomination hearing with the preferred candidate, concluding that Michelle Morris was suitable for nomination to her late Majesty Queen Elizabeth II for appointment as the Public Services Ombudsman for Wales.[229] The Senedd agreed the nomination on 26 January 2022 and Michelle Morris commenced the role on 1 April 2022.[230]

[225] Finance Committee, Appointment of Non-Executive Members and Chair of the Wales Audit Office, May 2024, page 7
[226] Plenary, RoP, 12 June 2024
[227] Public Services Ombudsman (Wales) Act 2019 (anaw 3)
[228] Plenary, RoP, 27 January 2021
[229] Nomination of the Public Services Ombudsman for Wales, January 2022
[230] Plenary, RoP, 26 January 2022

225. This appointment is for a single, non-renewable seven-year term of office, ending on 31 March 2029. Therefore, the responsible committee of the Seventh Senedd will need to advise the Senedd on the appointment of the next Ombudsman.

Appointment of the Auditor General

226. The Auditor General is a Crown appointment made on the nomination of the Senedd under Section 2 of the 2013 Act. The appointment is for a single, non-renewable 8-year term of office.

227. In 2025-26, the Committee was responsible for advising the Senedd on the appointment of the Auditor General for the second time under the 2013 Act. The current officeholder, Adrian Crompton, had held the position of Auditor General since 21 July 2018 and his term in office ends on 20 July 2026.

228. The previous Finance Committee made the following recommendation in its Legacy report:

> *"**Recommendation 19.** The Committee recommends that the responsible committee of the Sixth Senedd considers the employment of a recruitment consultant with wide-ranging networks of professionals, to assist in sourcing and identifying suitably qualified candidates to meet the requirements for the position of Auditor General for Wales."*[231]

229. As such, the Committee appointed an executive search agency, Saxton Bampfylde, to undertake aspects of the recruitment process.

230. The role was advertised for a six week period, between 19 September 2025 and 31 October 2025. Twelve applications were received from two women and ten men. Four applicants were shortlisted for interview by the panel, with one candidate withdrawing their application prior to the interviews taking place. The panel comprised:

- Peredur Owen Griffiths MS, Chair of the Finance Committee (Chair of the panel);
- Mark Isherwood MS, Chair of the Public Accounts and Public Administration Committee;

[231] Finance Committee Fifth Senedd, Legacy report, March 2021, Recommendation 19

- Dr Ian Rees, Chair of the Wales Audit Office; and
- Lynn Pamment CBE, Comptroller and Auditor General, Jersey Audit Office.

231. The panel made a recommendation to the Committee on its preferred candidate for nomination. The Committee, jointly with the Public Accounts and Public Administration Committee, then undertook a pre-nomination hearing with the preferred candidate. The Committee concluded that the preferred candidate was suitable for nomination to His Majesty for appointment as Auditor General.[232] The Senedd agreed the nomination on 4 March 2026.[233] Catherine Mealing-Jones will commence the role of Auditor General on 21 July 2026.

232. As the incoming Auditor General's term of office does not end until 20 July 2034, the responsible committee of the Seventh Senedd is not expected to need to advise the Senedd on the appointment of the next Auditor General.

Remuneration Arrangements

233. The Committee was also responsible for setting the remuneration of the Auditor General and any salary uplifting arrangements, in accordance with the requirements of the 2013 Act.

234. When setting the remuneration arrangements in September 2017 for the current Auditor General, the previous Committee agreed to advertise the position with a salary of £142,000, adjusted in line with arrangements for the bottom of the Permanent Secretary pay band, as per the annual report of the Senior Salaries Review Body.

235. However, in July 2018, the Committee was advised that responsibility for advising on the Permanent Secretary pay band had subsequently transferred from the Senior Salaries Review Body to the Permanent Secretary Remuneration Committee, which advises the UK Government. Decisions on annual adjustments to the pay band were made by the Prime Minister.[234]

236. Due to these changes made by the UK Government, the Finance Committee of the Fifth Senedd made the following recommendation in its Legacy Report relating to the remuneration of the next Auditor General:

[232] Finance Committee, Nomination of the Auditor General for Wales, February 2026
[233] Plenary, RoP, 4 March 2026
[234] The UK Government uplifted the bottom of the Permanent Secretary pay band from £142,000 to £150,000 in October 2017, with the adjustment backdated to April 2017.

> "***Recommendation 20.*** *In setting the remuneration arrangements for future appointments, the Committee recommends that the responsible committee of the Sixth Senedd avoids linking the remuneration of the Auditor General for Wales to a pay scale agreed by an external body."*[235]

237. The Committee agreed to advertise the position with a salary of £165,871. It also agreed that the salary would be uplifted on the appointment start date (21 July 2026), and on each anniversary of that date, by the estimated percentage change in the most recent data in the Annual Survey for Hours and Earnings for the annual gross median earnings for full time employee jobs in Wales as published by the Office for National Statistics, subject to a 0 per cent and 3 per cent lower and upper limit.

238. Similarly, the Committee agreed to advertise the position of Ombudsman with a salary of £147,000, adjusted annually by the estimated percentage change in the most recent data in the Annual Survey for Hours and Earnings for the annual gross median earnings for full time employee jobs in Wales as published by the Office for National Statistics, with a 0 per cent and 3 per cent lower and upper limit.

Committee View

239. The Committee recognises the significant responsibility placed upon it to ensure that appointments to the WAO, the Ombudsman, and the Auditor General are conducted through fair, transparent, and rigorous processes. Throughout the Sixth Senedd, the Committee has undertaken this work diligently, ensuring that each recruitment exercise has been robust and that the candidates recommended to the Senedd meet the high standards required for these independent, statutory roles. The Committee notes the importance of undertaking benchmarking exercises when agreeing the starting salary and uplift mechanisms for the roles of Ombudsman and Auditor General, and believes that applying the same uplift mechanisms for both will guard against the salaries diverging in an unintended way over their respective tenures.

240. The Committee considers the use of executive search agencies during recruitment processes to have been highly valuable. Their expertise in identifying, encouraging and assessing suitably qualified candidates has strengthened the quality of appointment rounds and contributed to ensuring a diverse and

[235] Finance Committee, Fifth Senedd Legacy Report, March 2021, Recommendation 20

competitive field. The Committee believes this approach supports public confidence in the independence and integrity of these offices.

241. The Committee notes the number of anticipated WAO Board appointments that will be made during the Seventh Senedd, as set out in Annex 4. It is important that these posts continue to attract high-calibre candidates from a diverse range of backgrounds, ensuring that those appointed reflect the communities they serve. We therefore consider that the successor committee should take appropriate steps to promote and support this objective.

Conclusion 3. Building on the Committee's experience in appointing the Public Services Ombudsman for Wales and the Auditor General for Wales, the Committee considers the engagement of an executive search agency to be an appropriate and effective means of ensuring a robust, transparent, and high-quality recruitment process.

Recommendation 25. The Committee recommends that the successor committee takes proactive steps to ensure that the recruitment processes for appointments to the Wales Audit Office Board in the Seventh Senedd continues to attract high calibre candidates from a diverse range of backgrounds.

242. The Committee was disappointed to learn of the inadvertent disqualification of the former WAO Chair, following her acceptance of a Crown appointment that was incompatible with membership of the WAO. While this situation arose from an oversight rather than intentional wrongdoing, it nonetheless highlighted important risks around awareness of statutory disqualifications and the need for strengthened safeguards.

243. The Committee acted promptly to mitigate these risks by issuing reminders to existing non-executive members, requesting improvements to induction and training, and strengthening the notification process for any changes in external commitments. Audit Wales's positive response and its commitment to implementing the requested improvements were also welcomed.

244. In addition to the Senedd appointments outlined in this chapter, the Committee conducted a pre-appointment hearing and published a report on the Welsh Government's preferred candidate for appointment as the Chair of the Welsh Revenue Authority in September 2022.[236] We believe this was a valuable

[236] Finance Committee, Pre-appointment hearing for the Chair of the Welsh Revenue Authority, 26 September 2022

experience and that similar pre-appointment hearings should be held for similar positions in future.

Recommendation 26. The Committee recommends that its successor committee continues to hold pre-appointment hearings for the role of the Chair of the Welsh Revenue Authority when the next appointment takes place.

7. Inter-parliamentary Finance Committee Forum

245. The Interparliamentary Finance Committee Forum (the Forum) was established in June 2022 with the primary purpose of providing Finance Committees from the devolved Parliaments of Scotland, Wales and Northern Ireland a platform for consideration of common challenges.[237]

246. The Forum was designed to provide:

- a more effective mechanism for dialogue and cooperation between the Committees on issues of common interest and concern;
- increased transparency over IGR, including the Interministerial Standing Committee on Finance; as well as
- an opportunity to consider any implications of the UK Government budget setting process and its spending decisions in devolved areas, post-Brexit.[238]

Meetings of the Forum

247. The Forum has met annually since its formation, holding the following four meetings:

- 16 June 2022 (Scottish Parliament)[239]
- 24 March 2023 (Senedd Cymru/Welsh Parliament)[240]
- 21 March 2024 (Portcullis House, Westminster)[241]
- 19 March 2025 (Northern Ireland Assembly)[242]

248. Each meeting has been followed by the publication of a joint statement detailing the main areas of discussion. Officials from the Northern Ireland Assembly Finance Committee attended the first three meetings as observers and

[237] Interparliamentary Finance Committee Forum, Legacy Report, 20 February 2026, paragraph 1
[238] Interparliamentary Finance Committee Forum, Legacy Report, 20 February 2026, paragraph 2
[239] Interparliamentary Finance Committee Forum, Joint Statement, 16 June 2022
[240] Interparliamentary Finance Committee Forum, Joint Statement, 24 March 2023
[241] Interparliamentary Finance Committee Forum, Joint Statement, 21 March 2024
[242] Interparliamentary Finance Committee Forum, Letter to the Chief Secretary to the Treasury, 13 May 2025

became full members at the fourth meeting following the restoration of the Executive and Assembly.[243]

Legacy Report

249. The Forum published its Legacy Report on 20 February 2026, ahead of the dissolution of the Senedd and Scottish Parliament.[244] This highlighted the work of the Forum and advocated for its continuation, stating that:

> "The Forum provides an opportunity for a collective voice for the Scottish, Welsh and Northern Ireland's Finance Committees' interest in scrutinising UK Government spending in devolved areas. It allows Members across all three legislatures to work together to share experiences, with the aim of improving budgetary and fiscal scrutiny and transparency."[245]

250. The Forum concluded that its work provides "a vital means of supporting the work of devolved Finance Committees", is an "invaluable platform for Committees to share common challenges and exchange information, and collectively exert influence on the Treasury", and should be "re-established as soon as possible following the formation of the new devolved Finance Committees".[246]

251. Members also recognised the Forum as a "platform for collaboration on the induction programme for new Members, particularly in relation to fiscal literacy".[247]

252. The report also identified persistent difficulties in securing UK Ministers' agreement to attend Committee meetings as an ongoing issue.[248] However, the Forum did secure the attendance of the then Chief Secretary to the Treasury, the Rt. Hon. Darren Jones MP, at the meeting in Stormont on 19 March 2025. Despite it being a short session, this was a welcome positive step towards resetting relationships between the UK Government and the devolved legislatures.

[243] Interparliamentary Finance Committee Forum, Legacy Report, 20 February 2026, paragraph 5
[244] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026
[245] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026, paragraph 29
[246] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026, paragraphs 54-56
[247] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026, paragraph 6
[248] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026, paragraph 12

253. As UK fiscal events continue to disrupt devolved budgetary processes, the Forum called for greater certainty of major fiscal events, and earlier information sharing to improve transparency and allow sufficient time for scrutiny.[249]

254. Reflecting on these issues, the Forum concluded that it should continue:

> "... to focus on knowledge and information sharing, particularly in relation to fiscal events and the budget scrutiny process, as well as improving communication between Treasury and devolved Committees."[250]

Committee View

255. The Committee has found the Forum to be a valuable mechanism for exploring and understanding shared challenges across the devolved nations of the UK. The Committee fully supports the continuation and further development of the Forum, and endorses it as an effective platform for collaboration and knowledge-sharing between the devolved legislatures.

Recommendation 27. The Committee recommends that its successor committee works with counterparts in the other devolved legislatures to re-establish the Inter-parliamentary Finance Committee Forum and builds on the progress made to date.

[249] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026, paragraph 32
[250] Interparliamentary Finance Committee Forum, Legacy Report, 20 January 2026, paragraph 57

Annex 1: List of oral evidence sessions

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's website.

Date	Name and Organisation
Wednesday 11 February 2026	**Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language** Welsh Government **Andrew Jeffreys, Director Treasury** Welsh Government
Wednesday 25 February 2026	**Elin Jones MS, Llywydd** Senedd Commission **Manon Antoniazzi, Chief Executive and Clerk of the Senedd** Senedd Commission **Lisa Bowkett, Chief Finance Officer** Senedd Commission **Ed Williams, Director of Resources** Senedd Commission

Annex 2: Completed work

The completed work and published reports of the Finance Committee can be accessed using the links below.

Budget Scrutiny Welsh Government	Date
Welsh Government First Supplementary Budget 2021-22	July 2021
Welsh Government Draft Budget 2022-23	February 2022
Welsh Government Second Supplementary Budget 2021-22	March 2022
Welsh Government First Supplementary Budget 2022-23	July 2022
Welsh Government Draft Budget 2023-24	February 2023
Welsh Government Second Supplementary Budget 2022-23	March 2023
Welsh Government First Supplementary Budget 2023-24	July 2023
Welsh Government Draft Budget 2024-25	February 2024
Welsh Government Second Supplementary Budget 2023-24	March 2024
Welsh Government First Supplementary Budget 2024-25	October 2024
Welsh Government Draft Budget 2025-26	February 2025
Welsh Government Second Supplementary Budget 2024-25	March 2025
Welsh Government First Supplementary Budget 2025-26	July 2025
Welsh Government Draft Budget 2026-27	December 2025
Welsh Government Second Supplementary Budget 2025-26	March 2026

Budget Scrutiny Directly Funded Bodies	Date
Senedd Commission Budget 2022-23	October 2021
Annual Scrutiny of the Public Services Ombudsman for Wales (including Estimate 2022-23)	November 2021
Annual Scrutiny of the Wales Audit Office and Auditor General for Wales (including Estimate 2022-23)	November 2021
Senedd Commission Budget 2023-24	October 2022

Budget Scrutiny Directly Funded Bodies	Date
Annual Scrutiny of the Public Services Ombudsman for Wales (including Estimate 2023-24)	November 2022
Annual Scrutiny of the Wales Audit Office and Auditor General for Wales (including Estimate 2023-24)	November 2022
Senedd Commission Budget 2024-25	October 2023
Annual Scrutiny of the Public Services Ombudsman for Wales (including Estimate 2024-25)	November 2023
Annual Scrutiny of the Wales Audit Office and Auditor General for Wales (including Estimate 2024-25)	November 2023
Senedd Commission Budget 2025-26	October 2024
Annual Scrutiny of the Public Services Ombudsman for Wales (including Estimate 2025-26)	November 2024
Annual Scrutiny of the Wales Audit Office and Auditor General for Wales (including Estimate 2025-26)	November 2024
Senedd Commission Budget 2026-27	October 2025
Annual Scrutiny of the Public Services Ombudsman for Wales (including Estimate 2026-27)	November 2025
Annual Scrutiny of the Wales Audit Office and Auditor General for Wales (including Estimate 2026-27)	November 2025

Legislation	Date
Welsh Tax Acts etc. (Power to Modify) Bill	September 2022
Visitor Accommodation (Register and Levy) Etc. (Wales) Bill	March 2025

Financial Implications of Bills	Date
Tertiary Education and Research (Wales) Bill	March 2022
The Environmental Protection (Single-use Plastic Products) (Wales) Bill	October 2022
Social Partnership and Procurement (Wales) Bill	November 2022
Agriculture (Wales) Bill	January 2023
Health Service Procurement (Wales) Bill	April 2023
Food (Wales) Bill	May 2023

Financial Implications of Bills	Date
Environment (Air Quality and Soundscapes) (Wales) Bill	July 2023
Infrastructure (Wales) Bill	November 2023
Senedd Cymru (Members and Elections) Bill	January 2024
Elections and Elected Bodies (Wales) Bill	January 2024
Residential Outdoor Education (Wales) Bill	March 2024
Local Government Finance (Wales) Bill	March 2024
Health and Social Care (Wales) Bill	October 2024
Legislation (Procedure, Publication and Repeals) (Wales) Bill	Having considered the response from the Counsel General to the Committee's letter, no further action was taken.
Welsh Language and Education (Wales) Bill	December 2024
Disused Mine and Quarry Tips (Wales) Bill	April 2025
Bus Services (Wales) Bill	July 2025
Homelessness and Social Housing Allocation (Wales) Bill	October 2025
Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill	October 2025
British Sign Language (Wales) Bill	November 2025
Building Safety (Wales) Bill	November 2025
Senedd Cymru (Member Accountability and Elections) Bill	December 2025
Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill	December 2025

Policy	Date
Post-EU funding arrangements	October 2022
Fiscal Intergovernmental Relations	October 2024
Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales	November 2024
Financial Transactions Capital	November 2024

Policy	Date
Post-legislative Review of the Public Services Ombudsman (Wales) Act 2019	October 2025

Appointments	Date
Public Services Ombudsman for Wales	January 2022
Pre-appointment hearing with the Welsh Government's preferred candidate for Chair of the Welsh Revenue Authority	September 2022
Appointment of the Non-Executive Members and Chair of the Wales Audit Office	January 2023
Appointment of the Non-Executive Members and Chair of the Wales Audit Office	May 2024
Appointment of a Non-Executive Member of the Wales Audit Office	May 2025
Nomination of the Auditor General for Wales	February 2026

Statutory Instruments	Date
The Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) Regulations 2021	January 2022
The Land Transaction Tax (Tax Bands and Tax Rates) (Wales) (Amendment) Regulations 2022	October 2022
The Welsh Tax Acts etc. (Power to Modify) Act 2022 (Extension of Expiry Date) Regulations 2026	March 2026

Legislative Consent Memoranda	Date
Legislative Consent Memorandum on the UK Infrastructure Bank Bill	October 2022

Annex 3: Sixth Senedd WAO Board appointments

	2021-22	2022-23	2023-24	2024-25	2025-26
Lindsay Foyster (Chair)		Second term ended (15 March 2023)			
Dr Kathryn Chamberlain (Chair)		Appointed Chair for four years (16 March 2023)	Disqualified (1 January 2024)		
Dr Ian Rees (Chair)				Re-appointed and appointed Chair (12 June 2024)	
Alison Gerrard	Re-appointed for four years by Fifth Senedd (1 July 2021)				Second term ended (30 June 2025)
David Francis		Re-appointed for four years (16 March 2023)			
Elinor Gwynn				Stood down (31 May 2024)	
Richard Thurston				Appointed for four years (1 June 2024)	

	2021-22	2022-23	2023-24	2024-25	2025-26
Mike Norman				Appointed for four years (1 June 2024)	
Bethan Jones					Appointed for four years (1 July 2025)

Annex 4: Seventh Senedd anticipated WAO Board vacancies

	2026-27	2027-28	2028-29	2029-30
Dr Ian Rees (Chair) Re-appointed 12 June 2024		Second term expires (11 June 2028)		
David Francis Re-appointed 16 March 2023	Second term expires (15 March 2027)			
Richard Thurston Appointed 1 June 2024			First term expires (31 May 2028)	
Mike Norman Appointed 1 June 2024			First term expires (31 May 2028)	
Bethan Jones Appointed 1 July 2025				First term expires (30 June 2029)