

Interparliamentary Finance Committee Forum

Rt Hon Laura Trott MBE MP
Chief Secretary to the Treasury

Copy to: Chancellor of the Exchequer; Financial Secretary to the Treasury;
Treasury Committee; Public Administration and Constitutional Affairs
Committee; Committee for Finance, Northern Ireland Assembly

26 March 2024

Interparliamentary Finance Committee Forum Meeting: Portcullis House, 21 March 2024

Dear Laura,

We are writing to you as the lead for Treasury interest in devolution to Scotland, Wales and Northern Ireland on behalf of the Interparliamentary Finance Committee Forum (the IFCF).

The IFCF was established in June 2022 by the Finance and Public Administration Committee of the Scottish Parliament and Finance Committee of the Welsh Parliament to provide a collective voice for the devolved legislatures in raising issues of common concern with devolved administrations and the UK Government. The IFCF provides opportunities for information-sharing, to hear from relevant Ministers, and to consider common challenges.

Northern Ireland Assembly officials currently attend IFCF meetings in an observer capacity, and it is hoped that its Finance Committee will also be able to join the IFCF in the coming weeks.

Our third meeting took place at Portcullis House in the House of Commons on Thursday 21 March 2024, where we met with Members of relevant Commons Committees, a former HM

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Treasury Minister, the Institute for Government, and Office for National Statistics. As part of our discussions about financial scrutiny, we also discussed how HM Treasury interacts with the devolved governments in developing the UK Budget and related timetables. The aim was to foster greater understanding around the challenges faced in scrutinising devolved budgets, and to share respective approaches to parliamentary scrutiny of budgets and associated forecasts. The IFCF found these meetings incredibly useful and is grateful to all those who participated.

We were very disappointed that HM Treasury Ministers and officials declined to meet with the IFCF while we were in London. This is a missed opportunity to develop relationships and greater understanding around our respective roles, including how HM Treasury approaches budgetary decisions and their impact on the devolved administrations.

HM Treasury's approach reflects the recent experience of both Committees in being unable to secure oral evidence sessions with the Chancellor and/or other Treasury Ministers, despite repeated invitations. It also represents a departure from your predecessors' approach in previous parliamentary sessions. It is deeply disappointing and inhibits effective scrutiny of the overall funding position in the devolved nations. As you know, effective budgeting is essential in the context of the shared fiscal pressures faced by the UK Government and the devolved administrations. Further devolution and the sharing of powers in recent years has also led to budgetary decisions in the UK and the devolved nations becoming more closely linked. Discussion of these matters with HM Treasury would therefore be most helpful and we therefore urge you and/or the Chancellor to give evidence to our respective Committees when asked.

An issue of particular concern is the increasingly variable timing of the Autumn Statement which, over the past two years at least, has resulted in additional pressure on the time available to the Senedd and Scottish Parliament to conduct its subsequent scrutiny of the devolved governments' budget proposals. In addition to giving greater consideration to this matter, we would also welcome your efforts to provide greater certainty to the devolved governments regarding multi-year spending plans and the earlier sharing of information, particularly in relation to final supplementary estimates which can substantially impact on in-year budget plans.

The IFCF is keen to reopen dialogue with HM Treasury on these and related matters and remains ready to welcome Ministers to the Senedd and Scottish Parliament to support our

respective scrutiny of budgetary issues. We therefore invite you to update us on how you would wish to engage with the devolved Parliaments.

We are due to meet next as a IFCF later this year. We therefore look forward to receiving a response to this letter by the end of June 2024.

Yours sincerely

Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
Scottish Parliament

Peredur Owen Griffiths
Chair
Finance Committee
Senedd Cymru

Interparliamentary Finance Committee Forum – 21 March 2024, Portcullis House, Westminster

The Interparliamentary Finance Committee Forum (IFCF) met for the third time on Thursday 21 March at Portcullis House, Westminster. Members from the Senedd's Finance Committee and the Scottish Parliament's Finance and Public Administration Committee were in attendance, with officials also present from the Northern Ireland Assembly.

The following informal sessions were held:

- A roundtable discussion with the Chair and Members of the House of Commons Treasury Committee;
- A meeting with former Treasury Minister, Rt Hon. David Gauke;
- A meeting with the Chair and a Committee Specialist, Public Administration and Constitutional Affairs Committee;
- A meeting with Mike Keoghan, Deputy National Statistician and Director General for Economic, Social and Environmental Statistics; and
- A meeting with Dr Hannah White, Director, Institute for Government.

Both the Chief Secretary to the Treasury and the Financial Secretary to the Treasury were invited to meet the IFCF but declined to do so.

The IFCF agreed to issue a joint letter to the Chief Secretary to the Treasury, as the Treasury Minister responsible for devolved matters, expressing disappointment that neither she nor the Financial Secretary were available to meet informally, and seeking action in the following areas:

- The Chief Secretary to the Treasury and/or the Chancellor give evidence to our respective Committees when asked, to enable more effective scrutiny of the overall funding position in the devolved nations. This would be a welcome resumption of the practice in previous parliamentary sessions.
- Greater consideration is given to the timing of the Autumn Budget and its impact on the scrutiny of devolved budgets, and
- More certainty for devolved governments, public bodies and the voluntary sector in Scotland and Wales regarding multi-year spending plans and the earlier sharing of information.

Both Committees also provided updates regarding their respective work programmes and identified areas of common interest as a basis for possible further collaboration. The Forum is due to meet again in the autumn.

Attendees

- Peredur Owen Griffiths MS, Chair of the Senedd's Finance Committee
- Peter Fox MS, Senedd Finance Committee Member
- Mike Hedges MS, Senedd Finance Committee Member
- Rhianon Passmore MS, Senedd Finance Committee Member
- Kenneth Gibson MSP, Convener, Finance and Public Administration Committee
- Michael Marra MSP, Deputy Convener, Finance and Public Administration Committee
- Liz Smith MSP, Finance and Public Administration Committee Member
- Michelle Thomson MSP, Finance and Public Administration Committee Member
- Ross Greer MSP, Finance and Public Administration Committee Member
- Jamie Halcro Johnston MSP, Finance and Public Administration Committee Member