

Peredur Owen Griffiths MS
Chair of the Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff CF99 1SN

Professor David Miles and Tom Josephs
Members of the Budget Responsibility Committee
102 Petty France
London SW1H 9AJ
obr.uk

16 January 2026

Dear Peredur,

Re: Finance Committee Report: Scrutiny of the Welsh Government Draft Budget 2026-27

Thank you for your letter of 7 January and for sharing the Finance Committee's report on the Welsh Government Draft Budget 2026-27. We are grateful for the opportunity to contribute to your scrutiny, including through the Committee's oral evidence sessions.

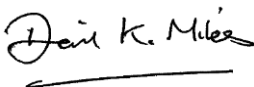
We welcome Recommendation 7 and agree on the importance of continuing to produce and develop outputs that help foster understanding of the impact of devolved taxation on the Welsh Government's budget.

In our next Welsh Taxes Outlook, to be published alongside the Welsh Final Budget, we have dedicated a new chapter to describing and analysing the latest projections for the net tax position across each of the Welsh devolved taxes. This includes analysis of the impact of the UK Government's freezes to income tax thresholds on the Welsh budget. We also intend to continue publishing analysis of changes in the Welsh net tax position as part of our devolved tax and spending forecasts, with our next publication due on 3 March. We will look for further opportunities to develop this analysis in our future publications.

We will continue to work closely with Welsh Government officials on devolved tax and forecast-related matters and would be happy to keep the Committee informed of any further significant improvements to our Welsh outputs.

In line with OBR policy, we will be publishing this reply together with your original letter on our website.

Yours Sincerely,



Professor David Miles



Tom Josephs

Members of the Budget Responsibility Committee

Office for Budget Responsibility

Sent by email

Dyddiad | Date: 7 January 2026

Dear Office for Budget Responsibility,

Finance Committee Report: Scrutiny of the Welsh Government Draft Budget 2026-27

As you will be aware, we have been undertaking scrutiny of the Welsh Government Draft Budget 2026-27. We would like to thank you once again for giving oral evidence on 1 December to inform our work.

Enclosed with this letter is a copy of the Committee's [report](#) which was laid on 15 December 2025. We wish to draw your attention to the following recommendation which relates to the work of the Office for Budget Responsibility (**recommendation 7**):

Recommendation 7 'The Committee recommends that the Office for Budget Responsibility continues to produce and develop outputs that help foster understanding of the impact of devolved taxation on the Welsh Government's budgets, such as the analysis of changes in the Welsh net tax position published as part of this year's devolved tax and spending forecasts.'

If possible, it would be helpful to receive a written response at your earliest convenience or by the end of spring term (Friday, 27 March).

A copy of this letter has been sent to the Cabinet Secretary for Finance and Welsh Language for information.

Yours sincerely



Peredur Owen Griffiths MS
Chair of the Finance Committee

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



Y Swyddfa Cyfrifoldeb Cyllidebol
Anfonwyd drwy e-bost

Dyddiad | Date: 7 Ionawr 2026

Annwyl Swyddfa Cyfrifoldeb Cyllidebol,

Adroddiad y Pwyllgor Cyllid: Craffu ar Gyllideb Ddrafft Llywodraeth Cymru 2026-27

Fel y gwyddoch, rydym wedi bod yn craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2026-27. Hoffem ddiolch i chi a'ch swyddogion unwaith eto am roi tystiolaeth lafar ar 1 Rhagfyr i helpu i lywio ein gwaith.

Mae copi o **adroddiad** y Pwyllgor, a osodwyd ar 15 Rhagfyr 2025, ynghlwm wrth y llythyr hwn. Hoffem dynnu eich sylw at yr argymhelliad a ganlyn sy'n gysylltiedig â gwaith y Swyddfa Cyfrifoldeb Cyllidebol (**argymhelliad 7**):

Argymhelliad 7: 'Mae'r Pwyllgor yn argymhell y dylai'r Swyddfa Cyfrifoldeb Cyllidebol barhau i gynhyrchu a datblygu allbynnau sy'n helpu i feithrin dealltwriaeth o effaith trethiant datganoledig ar gyllidebau Llywodraeth Cymru, megis y dadansoddiad o newidiadau yn sefyllfa treth net Cymru a gyhoeddwyd fel rhan o ragolygon treth a gwariant datganoledig eleni.'

Os yn bosibl, byddai'n ddefnyddiol pe gallech anfon ymateb ysgrifenedig atom cyn gynted â phosibl, neu erbyn diwedd tymor y gwanwyn (dydd Gwener 27 Mawrth).

Mae copi o'r llythyr hwn wedi'i anfon at Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg er gwybodaeth iddo.

Yn gywir,



Peredur Owen Griffiths AS
Cadeirydd y Pwyllgor Cyllid

Croesewir gohebiaeth yn Gymraeg neu'n Saesneg.

We welcome correspondence in Welsh or English.

