



Ein cyf/Our ref WQ87185

Andrew RT Davies MS

28 February 2023

Dear Andrew

Further to my holding reply, I now write with a substantive answer to your Written Question 87185.

**Andrew R.T. Davies (South Wales Central):** *What assessment has the Minister made regarding the Welsh Government's rural affairs department and whether it can provide adequate support for Welsh farmers at this challenging time for them despite reductions in its budget at a time of high inflation? (WQ87185)*

**Lesley Griffiths:** The 2023-24 Draft Budget has been one of the toughest that I, as a Minister, have been involved in.

The significant financial pressures we are facing, caused by the UK Government's mismanagement of the UK economy and made worse by the disastrous mini-budget in September, means Wales is facing a perfect storm of pressures of a decade of austerity, Brexit and the pandemic. Our economy and public services are very fragile and are not able to withstand any further shocks.

Our communities and stakeholders must deal with soaring energy prices and inflation at a 40-year high, at a time when demand for public services is rising. The UK Government has not provided Wales with adequate funding to meet these pressures. I and fellow Ministers have had to make some very difficult decisions during this budgetary process.

Even after the additional funding in the Autumn Statement, our settlement is still worth up to £3bn less in real terms and up to £1bn less next year.

Myself and my cabinet colleagues have had to make very tough and challenging decisions. As a collective, Cabinet has agreed and carried out a reprioritisation exercise across Government to re-focus funding towards our three main priorities for 2023-24:

- Protecting frontline public services and our ambitions for the future
- Continuing to provide help to those most affected by the cost-of-living crisis
- Supporting our economy through recessionary times

This has meant our scarce resources are focused on our Health Service, Local Government and Education.

As Rural Affairs Minister, I have accepted no additional funding and indeed a small reduction in my revenue position to support these Government priorities.

However I have ensured across the Main Expenditure Group (MEG) that in taking some very tough decisions, every pound invested makes the greatest positive impact to the rural communities of Wales.

My capital budget is now worth 8.1% less in real terms than when it was set by the UK Government in the 2021 UK Spending Review. Together with supply chain issues, this will inevitably act as a constraint on our ability to deliver my wider ambitions around my capital infrastructure programmes in the short term.

Regards

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end.

**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**