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By email

Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
London SW1A 2HQ

Dear Chancellor,

I am writing in response to your recent Mais Lecture and its welcome emphasis on strengthening local fiscal devolution in England.

At Carnegie UK, we have studied how public finance systems can better support wellbeing-led decision making, alongside international evidence on approaches that align government budgets with shared policy outcomes.

We recently published a suite of reports examining key aspects of how governments can better budget for wellbeing policy outcomes, including [Budgeting for Wellbeing: International Approaches](#), which highlights lessons from countries such as Australia, New Zealand and South Korea on aligning budget processes with long term priorities, investing in prevention, and deploying wellbeing focused analytical tools. These findings may be of particular interest, given your stated ambition to strengthen place based fiscal capacity and improve outcomes through devolved governance.

We will shortly be publishing three policy provocations, each looking at practical examples of putting wellbeing at the heart of fiscal policy making. These explore enhancing devolved borrowing powers, improving the monitoring of second round fiscal effects and how to better embed wellbeing cost benefit analysis. Taken together, these offer ideas intended to help strengthen fiscal frameworks across the UK.

This research aligns in support of your interest in modernising our economic institutions, improving local fiscal autonomy and ensuring public spending genuinely supports better outcomes for communities. I hope that it will be of interest to you and HM Treasury officials as you continue on the path of reform towards a more coherent and long-term approach to the public finances.

Carnegie United Kingdom Trust

Chair
David Emerson CBE

Chief Executive
Sarah Davidson



We would be pleased to discuss these issues further with your advisers, and to share insights from our wider research and engagement across the UK's devolved governments.

Yours sincerely,

Sarah Davidson
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