23 April 2020

Dear Mr Ramsay,

Thank you for your letter of 31 March. As this was the first Ministerial Direction issued in Wales, I am pleased the Committee felt the procedure worked well and found the scrutiny session constructive. The consideration by the Committee of the Ministerial Direction process provided a helpful insight on this first experience.

A constructive lessons learned session has been held with the Public Accounts Committee Clerks and Wales Audit Office, where some minor procedural improvements were identified including:

- consideration being given to the requirement to ‘consult’ with HMRC on tax proposals. HMRC are unable to provide a formal view until detailed scheme implementation arrangements are in place, accordingly they are unable to formally ‘consult’ on schemes in development. This does not mean that engagement with HMRC should not be undertaken as appropriate when Welsh Public Sector bodies are making tax arrangements generally.

- clarity that when a Ministerial Direction is issued it will be notified by Welsh Government to the Chair of the Public Accounts Committee, and copied to the Chairs of the Finance Committee and relevant Assembly subject Committee(s). This is to support the Public Accounts Committee in its’ determination of how scrutiny might best be considered by the Assembly.
The refresh of Managing Welsh Public Money was planned in 2020/21 and will include these updates but has been impacted by the Covid-19 outbreak, I will update the Committee on this in due course.

Welsh Government welcome the changes made in the UK Government budget to increase the threshold and remove the deterrent to senior clinical staff working additional hours. We understand that prior to the Covid-19 escalation, there had only been limited interest from clinicians in taking up the Scheme Pays proposal covered by the Direction for 2019-20. However, we will not have firm totals for the extent of any future Welsh Government liability in this regard for some time yet.

Thank you for what you said in your letter about the Committee feeling that it has established a constructive dialogue with the Welsh Government over recent times. I am grateful for the way in which the Committee has approached dealing with some of the more sensitive issues. I and my Additional Accounting Officers will always try to be as open as we can with the Committee, recognising that there will be a need for special arrangements at times to allow us to do so.

Yours,

Shan Morgan
Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government