

Rt Hon Stephen Crabb MP
Chair
Welsh Affairs Committee
UK Parliament

12 July 2021

Dear Stephen Crabb,

Future collaborative working

I am writing to you to introduce myself as the newly elected chair of the Welsh Parliament's Finance Committee and on behalf of the Committee I hope that we will be able to form a constructive and collaborative relationship with the Welsh Affairs Committee.

With regards to future collaborative working, there are various issues that our Committee is keen to pursue with the Welsh Affairs Committee. From our Committee's perspective, many of these issues focus on the UK Government's unsatisfactory communication with the Welsh Government, and with our predecessor Finance Committee.

The Finance Committee recently held an [evidence session](#) with the Minister for Finance and Local Government on the Welsh Government's First Supplementary Budget 2021-22. During this meeting the Minister highlighted the ongoing difficulties she was experiencing in obtaining clarity from the UK Government on the issue of Barnett consequentials:



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"...you'll be aware of UK Government's announcements in respect of education recently. Now, we haven't been able to determine whether that's new money, whether it's repurposed funding, whether it's reannouncing previously-announced funding, and as such, we're unable to get a clear picture as to what our, if anything, Barnett consequential would be as a result of that announcement, and that's just one example."

On a similar issue, the Committee is concerned that communication and scrutiny of fiscal arrangements with the UK Government are not fit for purpose. The previous Finance Committee's [legacy report](#) suggested closer working with other devolved administrations and the Welsh Affairs Committee to collectively apply pressure on the UK Government to provide clarity on funding decisions.

Another concern for our predecessor committee that was highlighted in its legacy report related to the introduction of new Welsh taxes. The Welsh Government highlighted in its sixth annual report on the implementation and operation of the Wales Act 2014 that:

"The Welsh Government's experience of moving through the process has been protracted and challenging...."It has become apparent there are serious flaws in the agreed process for devolution of further tax competence. As the process currently stands, it is difficult to envision a scenario whereby the Welsh Government could successfully make the case for further tax competence. The process needs urgent review and reform."

Regarding the delays with the process on new taxes, the Secretary of State told our predecessor Committee:

"I think if there is a legitimate concern that is raised about maybe the speed of progress or the manner of engagement..... we'd be very happy to take that up.....with the Treasury."

These are some of the issues that the Committee is keen to pursue in collaboration with the Welsh Affairs Committee and I look forward to hearing your views on future collaborative working.



It may be prudent for us to arrange a meeting as Chairs of our respective committees, so that we can discuss these matters further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peredur Owen Griffiths', with a stylized flourish at the end.

Peredur Owen Griffiths MS

Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

