

OFFICIAL



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Jocelyn Davies AM  
Chair, Finance Committee  
Cardiff Bay  
Cardiff  
CF99 1NA

Dear Jocelyn,

15 June 2015

**RE: INQUIRY INTO FUTURE FUNDING**

Thank you very much for your letter of 18 May inviting me to speak at the National Assembly's Finance Committee.

2. Very unfortunately, I am unable to accept your invitation on this occasion, but I would like to take this opportunity to highlight two points on Welsh Government funding.

3. Firstly, as you are no doubt aware, the Command Paper published in February set out a clear commitment to introduce a funding floor. The precise level of the floor, and the mechanism to deliver it, will be agreed alongside the next Spending Review.

4. Second, I would like to reiterate how important it is that the Welsh Government becomes responsible for raising more of the money it spends. This will allow the Welsh people to hold the government properly to account and a referendum on income tax powers will be an important step in this regard.

I look forward to hearing about the outcome of your inquiry,



GREG HANDS

OFFICIAL