

Mark Drakeford AM/AC
Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol
Cabinet Secretary for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Simon Thomas AM
Chair
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National Assembly for Wales
Cardiff Bay
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27 October 2016

Arwydd Simon,

Thank you for your letter dated 17 October, in which you enquired about the fiscal framework, commented on the attributes of Welsh Revenue Authority (WRA) board members and asked about the latest annual implementation report on the Wales Act 2014.

I welcome the Committee's interest in the negotiations on the fiscal framework, which are continuing on schedule. On Monday, I met the Chief Secretary to the Treasury for constructive talks on the new arrangements. We examined a range of options for adjusting the Welsh block grant alongside tax devolution, and explored how these would interact with the Barnett formula and the funding floor. We also considered the circumstances under which spill-over effects from tax policy decisions should lead to a transfer of funding between the two governments.

We plan to meet again following the Autumn Statement due on the 23rd November. It remains possible that we can agree the fiscal framework before Christmas. I will outline the details of the agreement to the Assembly as soon as one is reached. I do not expect the Welsh Government to be in a position to lay a Legislative Consent Motion before the new year.

I am grateful for the Committee's thinking on the skills and attributes of those appointed to the Board of the WRA. I very much agree that the appointment should conform to Nolan principles.

As you note, the two annual reports on the implementation of the Wales Act 2014 (produced separately by the Welsh Ministers and by the Secretary of State for Wales) are not due to be laid before the Assembly and Parliament until 17 December. I think it highly unlikely that the Welsh Ministers' report will be available sufficiently early to enable the committee to

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

consider it on 15 December. You may therefore wish to consider the implementation report (or perhaps both implementation reports) together with the Wales Audit Office's report early in the new year.

In gywily,

Mark

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