



Rt Hon Alun Cairns MP
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Alun Cairns

Annual implementation report in relation to the financial provisions of the Wales Act 2014

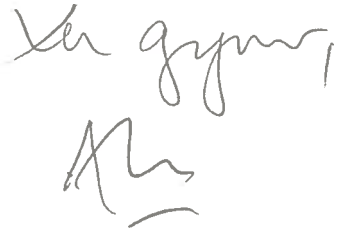
Thank you for your letter of 7 December inviting me to attend a meeting of the Finance Committee to discuss the second annual report on the implementation and operation of Part 2 (finance) of the Wales Act 2014. In line with the requirements under section 23 of the Wales Act 2014, copies of this report have been laid before Parliament and laid before the Assembly by the Cabinet Secretary for Finance and Local Government.

I am pleased that the Committee has identified the scrutiny of fiscal devolution as one of its key priorities over the fifth Assembly. As you are aware a fiscal framework has been agreed between the UK and Welsh governments, setting out how the Welsh Government will be funded following the devolution of stamp duty land tax, landfill tax and Welsh rates of income tax. Under the new arrangements both governments have agreed Wales will have a fair level of funding for the long term.

This is a historic deal that will pave the way for the National Assembly and Welsh Government taking on more responsibility for how money is raised in Wales. The Agreement, together with the implementation report, give a clear signal on the Government's progress towards tax devolution and I do not feel there is anything further I can add at this time. I must therefore decline your request to give evidence.

I am more than happy to meet committee members on an individual basis to raise any particular concerns. I suggest that committee members' dairy secretaries contact mine to agree mutually beneficial dates.

I wish you well with your inquiry and will await your report with interest.

Handwritten signature in black ink, appearing to read 'Alun Cairns'.

Rt Hon Alun Cairns MP
Secretary of State for Wales
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