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Ysgrifennydd y Cabinet dros Gyllid
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Llywodraeth Cymru
Welsh Government

Llyr Gruffydd
Finance Committee
National Assembly for Wales
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Annwyl Llyr,

Earlier this year I wrote to the Finance Committee to make it aware of my request to the Secretary of State for Wales for the UK Government to bring forward secondary legislation to enable Welsh Ministers to issue bonds for capital investment expenditure.

I am writing to update the committee that the draft order has been laid in the House of Commons. Subject to approval, the order will come into effect from 1 December 2018.

As I have said when I have appeared before the committee on a number of occasions, when it comes to the use of capital to fund infrastructure investment in Wales, we will always use conventional capital first and then those sources of borrowing, which represent the best value of money to the taxpayer to minimise the long-term financial implications on the Welsh Government's budget.

It is my intention to continue to borrow from HM Treasury, through the National Loans Fund, while this remains the cheapest source of funding available to us. However, the ability to issue bonds will provide the Welsh Government with the full suite of borrowing powers for the future.

I will continue to update the Finance Committee about our borrowing plans as part of the usual budget process.

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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.

I am copying this letter to the chair of the Constitutional and Legislative Affairs Committee for information.

In gywir,

Mark.

Mark Drakeford AM/AC

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Cabinet Secretary for Finance