

25 February 2019

The Rt Hon Alun Cairns MP  
Secretary of State for Wales

Dear Secretary of State,

**Fourth Annual Report on the Implementation and Operation of Part 2 (Finance) of the Wales Act 2014**

Thank you for your response of 14 February to the Committee's invitation to attend of 5 December 2018, the Committee is disappointed and concerned that you do not feel it appropriate for you to appear as part of the inquiry.

The issue the Committee wishes to discuss is that of the implementation of fiscal devolution, including the UK Government's annual implementations report, which you published in December. As you are aware, these reports are mandated by an Act of the UK Parliament, and relate directly to the competencies of the National Assembly and Welsh Government.

Given the Secretary of State's role in relation to the legislation, the statutory responsibility you have to report annually on progress, and your role as "Assembly Liaison" for the UK Government, the Committee is of the view that it is entirely appropriate for you to provide evidence to the Assembly on the implementation of fiscal devolution generally, and *the UK Government's Fourth Annual Report on the Implementation and Operation of Part 2 (Finance) of the Wales Act 2014*.

This is particularly the case as we near the imminent implementation of the Welsh Rates of Income Tax. With income tax a non-devolved tax administered by HMRC, a body accountable to the UK Parliament, the relevance and importance of your evidence to the Committee is only increased. I am pleased that you are happy to meet Members individually on the inquiry, but feel that a formal Committee session would be more appropriate, more transparent, and of greater value.

I am happy to give you my personal assurance, as Chair, that questioning in the session will be relevant to the Committee's inquiry. The Committee is also happy to facilitate either a meeting in London, or to hold the session via video-link, if either will enable the meeting to proceed.

I look forward to your timely response.

Yours sincerely



Llyr Gruffydd AM, Chair of the Finance Committee

