

Jane Hutt AM  
Minister for Finance and Government Business

07 July 2015

Dear Jane

### **Future Funding**

I am writing further to the meeting of 25 June 2015 where you provided evidence to the Finance Committee in relation to Future Funding.

At the meeting you agreed to provide:

- a copy of the Treasury statement from 2012 in relation to convergence; and
- a note outlining the funding flexibilities requested as part of the St David's Day process.

Following the evidence session Members have some additional queries which we would be grateful if you could respond to, these queries are attached at Annex A.

In addition Members would also be grateful for an update on arrangements for adjustment to the block grant which will need to be made in relation to devolved taxes.

I look forward to receiving your response.

Yours sincerely



**Jocelyn Davies**

**Chair**



## Annex A

The UK Government has stated that it is interested in negotiating individual City Deal's, including potentially a deal with Cardiff. How would funding for a City Deal operate in relation to the block grant?

Given that economic development is a devolved issue, should HM Treasury be encouraged to provide all funding for city deals through the block grant for allocation by the National Assembly?

Should the devolution of funding from central government to local government which is happening in England also occur in Wales?

The Committee has heard that Wales is the only devolved administration which doesn't publish information on the balance between its revenues and spending. How important is it to calculate and forecast the overall fiscal position of the Welsh public sector?

How should the borrowing and taxes raised by local authorities be managed within the wider Welsh borrowing and tax system?

Do you believe that a public sector balance sheet should be produced for Wales?

How can the UK Government give devolved administrations greater certainty of their likely future funding?

