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Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol
Cabinet Secretary for Finance and Local Government

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
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Llywodraeth Cymru
Welsh Government

Simon Thomas AM/AC
Chair
Finance Committee
Ty Hywel
Cardiff Bay
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17 March 2017

Dear Simon,

Thank you for your letter of 3 March about the Trade Union (Wales) Bill.

A number of challenges had to be faced in producing the RIA for the Trade Union (Wales) Bill. Essentially our approach in this Bill has been to maintain the status quo as far as it pertains to devolved public services and the National Assembly's competence. As such the overall financial impact of our Bill can be regarded as neutral in retaining or returning us to the position that existed prior to the Trade Union Act 2016.

We also faced uncertainty about how to present sequencing given that, at the time of producing our RIA, the timing of commencement of the UK Act was unclear. Given these difficulties I felt the best approach to assist scrutiny was to demonstrate the scale of the issues by showing how the UK Government's RIA could be apportioned to Wales. Thus we included a figure, for example, for the cost of additional strike action generated by disapplying the 40% threshold, despite the fact that we have always disputed that this cost would actually be incurred in practise.

The resulting £85,000 figure is based on an apportionment of the UK RIA figure, which is itself built on an assumption, made by the UK Government, of the reduction in strike days lost that would result from their legislation. We dispute the basis of this assumption and maintain that the disapplication of the provision would lead to fewer days lost in Wales because our model of social partnership would be maintained. This is a contention that is supported by the evidence from employers and trade unions given to the Equalities and Local Government Committee.

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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.

Given that the UK Act is yet to have made a measurable impact, these differing views of the impact of differing approaches in Wales and England will only be resolved, in financial terms, by what happens in practice.

Nonetheless, I do believe that Assembly Members have the basis for scrutiny of the draft legislation in the range between £85,000 and zero. The commencement of the 40% overall support threshold on 1 March defined 'important public services' in much the same way as we expected and has not captured anything that was not anticipated. As a result, it is not our intention to produce any further analysis of the costs associated with dis-applying it.

Other costs within the RIA related to familiarisation. The Committee will be aware of the letter I have received from Ben Gummer MP in which he indicated the UK Government's intention not to include Welsh public services in the regulations relating to facility time and check-off. Whilst the power to make regulations has been commenced, we have not as yet seen the regulations themselves. As such, I maintain a reserved position on how Welsh public authorities might in practise be affected by these regulations.

I expect the savings for Welsh public authorities of not having to familiarise themselves with the provisions in the UK Act to accrue from the fact that they will not now be applied to Wales rather than directly from our legislation. The RIA, as it stands, therefore does give the National Assembly a good indication of the implications of our Bill and I would not anticipate revising the RIA significantly. However, should the regulations brought forward by UK Ministers complicate the sequencing further, I will consider providing further detail on the financial implications through revisions to the RIA.

I hope this information is helpful.

A handwritten signature in dark ink, reading 'Mark Drakeford'. The signature is written in a cursive, flowing style.

Mark Drakeford AM/AC

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