

**Mark Drakeford AM/AC**  
**Ysgrifennydd y Cabinet dros Gyllid**  
**Cabinet Secretary for Finance**



Llywodraeth Cymru  
Welsh Government

Simon Thomas AM  
Chair, Finance Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

8 March 2018

Dear Simon

As part of the St. David's Day announcement you will be aware the UK Government agreed to enable the Welsh Government to issue bonds for capital investment in addition to the existing capital borrowing provisions set out in the Government of Wales Act 2006.

Due to the expected pressures on legislative and Parliamentary time in the Spring, and in line with the provisions in section 121 of the Government of Wales Act 2006, I have written to the Secretary of State for Wales requesting the UK Government brings forward the necessary secondary legislation to enable the Welsh Ministers to issue bonds for capital investment expenditure.

As I said during scrutiny on the draft Budget last year, I am committed to utilising the cheapest source of borrowing to minimise the financial implications for the Welsh Government. At the present time, borrowing from the National Loans Fund represents the best value for money option available and, while I have nothing in principle against the idea of issuing bonds, it is my intention to continue to borrow from the Treasury while this remains the cheaper source of funding. Having the power to issue bonds will, however, provide the Welsh Government with the full suite of borrowing levers in the future.

I will, of course, continue to update the Finance Committee on our borrowing plans as part of the usual Budget process.

Yours sincerely,

A handwritten signature in black ink that reads "Mark".

Bae Caerdydd • Cardiff Bay  
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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.

**Mark Drakeford AM/AC**

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Cabinet Secretary for Finance