Dear Simon,

Last week, the Wales Centre for Public Policy has published its report ‘The Welsh Tax Base: Risks and Opportunities after Fiscal Devolution’. This is a timely piece of work. I will set the first Welsh rates of income tax in autumn 2018 to take effect from April 2019. At that point, over £5 billion of tax revenues will be under the control of Welsh central and local government. As set out in my Tax Policy Framework, this provides the opportunity to look at these taxes collectively and consider how best we use these to meet the needs of people in Wales.

Taxes fund public services, and the report highlights the sensitivity of Welsh tax revenues to wider issues in the Welsh economy relative to the UK. I look forward to further discussions about the report’s recommendations in due course.

The report is available here: 'The Welsh Tax Base: Risks and Opportunities after Fiscal Devolution'

Yours sincerely,

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