

# CAROLYN THOMAS

NORTH WALES | GOGLEDD CYMRU



Rebecca Evans MS  
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Dear Rebecca Evans MS

Monday 31<sup>st</sup> October 2022

## Re: Wales Fiscal Framework and Prudential Borrowing Powers

I am writing to you as Minister for Finance and Local Government in relation to the restraints placed upon the Welsh Government's ability to enact transformative policy through a lack of borrowing power.

As I know you are aware, earlier this month, the Institute of Welsh Affairs (IWA) published a report titled *Fiscal Firepower: Effective Policy Making in Wales*. The research finds that despite the Welsh Government possessing strong legislative powers and a large budget, it only has a far more limited ability to kickstart major projects than other nations, including the UK Government acting on behalf of England.

The report concludes that the Welsh Government's lack of borrowing powers provides little flexibility for the government to fund projects beyond public service delivery. As a result, the IWA supports the Welsh Government's calls to be granted prudential borrowing powers.

It is my belief that the granting of these powers is vital to the future prosperity of Wales – they could provide us with the opportunity to expand our policy offer to make transformative investments into the future of our country.

As such, I wholeheartedly support the Welsh Government in their calls to be granted prudential borrowing powers by the UK Government. I believe that not having these powers, combined with the exacerbation caused by further belt tightening and cuts imposed by the UK government, will continue to undermine the Union.

As a result, I think it is incumbent upon us to publish our updated case for prudential borrowing powers, as recommended by the IWA report. This would help push this more fully onto the political agenda, help raise the profile and increase the momentum behind these calls. I would welcome your commitment to doing so.

Yours Sincerely,

Carolyn Thomas, Member of the Senedd for North Wales