

Mark Drakeford AM
Cabinet Secretary for Finance
Welsh Government

17 April 2018

Dear Mark,

FINANCIAL IMPLICATIONS OF THE PUBLIC HEALTH (MINIMUM PRICE FOR ALCOHOL) (WALES) BILL

The Finance Committee recently scrutinised the Cabinet Secretary for Health and Social Services on the Public Health (Minimum Price for Alcohol) (Wales) Bill. You may be aware that we made the following recommendation in our [Stage 1 report](#):

Recommendation 3: The Committee recommends that the Welsh Government negotiates with HM Treasury about the impact of a potential reduction in revenue from alcohol sales. It would expect a resolution on the impact on the Fiscal Framework to be in place before the Assembly's final vote on the Bill at Stage 4.

In the Cabinet Secretary's [response](#) to our report, he confirms that Welsh Treasury officials have held discussions with HM Treasury and states "we do not expect the introduction of a Minimum Unit Price (MUP) to have any impact on the fiscal framework negotiated with the UK Government in 2016, which is currently concerned with the operation of the fiscal powers devolved to Wales in the Wales Act 2014".

The [Fiscal Framework](#) agreed between the Welsh and UK Governments in December 2016 discusses policy "spill-over" effects, which may occur where a decision by one government has an impact on the tax or spending of another (paragraphs 34–39). Given the estimated reduction in revenue from alcohol duty identified in the [Explanatory Memorandum](#) and [updated modelling](#), I would be grateful for your confirmation that the spill-over effects of the MUP and



consequential reduction in alcohol duty will not impact on the provision of funding for Wales.

Yours sincerely

A handwritten signature in black ink, appearing to read "Simon Thomas". The signature is written in a cursive style with a large initial 'S' and 'T'.

Simon Thomas
Chair

