



Eich cyf/Your ref
Ein cyf/Our ref MA/RE/1341/20

Llyr Gruffydd AM,
Chair Finance Committee,
The National Assembly for Wales,
Cardiff Bay,
Cardiff
CF99 1NA

24 April 2020

Dear Llyr,

Thank you for your letter regarding COVID-19 support for Wales.

Over recent weeks we have seen a fast-moving and evolving situation. To keep members updated therefore, I will make an oral statement to the Senedd bringing together the fiscal implications for Wales of the impact of, and response to, COVID-19 on 13th May.

I will regularise the total package of adjustments through a supplementary budget, at the earliest opportunity. In these exceptional circumstances, I propose to publish the supplementary budget on 27 May. I propose to move the motion on 23 June (or 24th June subject to the plenary timetable at that time) to allow four weeks of scrutiny (one more than required under Standing Orders). This would provide an acceptable balance of adequate scrutiny time whilst still providing early assurance to stakeholders of the changes to the Welsh Government's spending plans in response to COVID-19. I would be grateful for the Committee's view on this timescale.

In normal circumstances, I would have written to you shortly following the UK Government's Budget in March to advise you of the Barnett consequential for Wales. However, within a short period of the UK Budget, there were further changes to our settlement for 2020-21 as a result of consequential arising from UK Government spending announcements in respect of COVID-19 interventions for England. With that in mind, I considered it more helpful to write to you once I was able to provide consolidated details of the financial implications for Wales.

Attached at Table 1 is a detailed list of all Barnett consequential resulting from the UK Budget expected to be received in the UK Main Estimates.

As I outlined in my written statement on 11 March, the additional funding for Wales does not take into account the £100m capital reduction the UK Government made to our budget at

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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.

the end of the 2019-20 financial year. This is expected to be reflected in the UK Main Estimates and the first supplementary budget.

Table 2 provides details of COVID-19 consequential announced since the UK Budget and which are expected to be received in the UK Main Estimates. Further consequential in respect of COVID-19 are expected to be received later in the year in the UK Supplementary Estimates.

Finally, I can confirm that the use of section 128 powers were not required at the end of the 2019-20 financial year.

I hope you find this update helpful.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The script is cursive and fluid, with a small dot at the end of the last word.

Rebecca Evans AC/AM

Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Table 1: UK Government Budget 2020 consequential expected to be received in the 2020-21 Main Estimates

Capital DEL - Measure	2020-21
	£m
Funding 'excellent' research, across all regions and nations of UK	22.784
Specialist Institutions	0.589
Cultural Investment Fund	2.224
British Library Business and IP Centres	0.012
Parklife Football Facilities	0.471
Natural History Museum at Harwell	0.155
Youth Investment Fund	1.766
National Museums Maintenance	1.590
British Library at Leeds and Boston Spa	0.202
Nature for Climate Fund	2.414
Fly-tipping innovative solutions	0.029
Flood defences	8.242
Winter flood defence fund	3.415
Water management assets	1.295
Nitrogen dioxide emission reduction	8.654
Potholes Fund	29.437
Hospital Car Parking	12.728
DHSC Capital	40.210
Health Infrastructure Plan	6.123
Diagnostics	5.887
NIHR- Prevention and translational research	0.706
Covid-19 R&D - 'Fighting Fund'	1.766
Covid-19 - NHS/PHE Diagnostics	0.589
VOA - Business System Transformation Programme	0.169
Rough Sleeping	2.061
West Yorkshire Devolution Deal	0.559
Building Safety Fund	58.873
Brownfield Housing Fund	4.710
ESA10	-2.484
Changing Places Fund	1.766
Heritage Fund (part of West Yorkshire Devolution Deal)	1.472
General Capital Total¹	218.416
Help to Buy (FT)	3.238
Nature for Climate Fund	0.412
Financial Transactions Total	3.650

¹ Does not reflect reduction of £99.985m notified at end of 2019/20 and deferred to 2020/21

Revenue DEL – Measure	2020-21
	£m
Elimination of negative RSG in 2020-21	9.002
Increased Business Rates Retention in Devolution Deal areas and the Greater London Authority (AME cost)	7.300
Increased Business Rates Retention in Devolution Deal areas and the Greater London Authority (DEL cost)	13.011
Business rates retail discount (DEL cost)	9.125
Business rates retail discount (exchequer loss)	5.593
Business rates pubs discount (DEL cost)	0.648
Business rates pubs discount (exchequer loss)	0.380
Immigration Health Surcharge	-7.428
Reforming Regulation Initiative	0.035
Additional Funding for Growth Hubs	0.589
Additional Funding for Be the Business	0.294
Cultural Investment Fund	0.371
British Library Business and IP Centres	0.200
Youth Investment Fund	2.237
Natural Environment Impact Fund	0.029
Nature for Climate Fund	0.500
Flood defences	1.472
Place-based resilience schemes	0.059
Winter flood defence fund	3.650
Nature Recovery Fund	0.029
PE and Sports funding	0.595
Learning Disability and/or Autism fund	1.189
NHS Nurse recruitment, training and retention	37.591
General Practice workforce	19.758
Hospital Car Parking	4.604
Immigration Health Surcharge - DHSC adjustment	9.273
Immigration Health Surcharge	-2.479
VOA - Business System Transformation Programme	0.508
Making the most of knowledge assets	0.294
Rough Sleeping	0.883
West Yorkshire Devolution Deal	1.678
Building Safety Fund	1.177
Commonwealth Games, Trade, Tourism & Investment Programme	0.210
Vulnerable Children and Family Hubs	0.049
Commission for an independent economic review in the Western Gateway	0.006
Adults with Multiple Complex Needs	0.353
Revenue Total	122.787
Total Consequentials	344.853

Table 2. Barnett consequential aggregates announced since the UK budget on 11 March in respect of COVID-19 expected to be received in the UK Main Estimates

Revenue DEL – Measure	2020-21
	£m
Measures being funded at Main Estimates from response fund	
Quicker NHS discharge	76.535
Local authority support package	94.197
Purchasing independent sector capacity	81.245
Shielding - food packages	12.363
Shielding - pharmacy deliveries etc	17.250
Emergency Management Agreements for railway services (20-21)	170.733
Personal Protective Equipment (PPE)	5.887
Call centre for the National Shielding Centre	3.270
<i>Sub-total</i>	<i>461.480</i>
Other measures being funded at Main Estimates	
LA hardship fund	29.437
Business support grants (total cost)	730.853
Business rates reliefs (total cost)	634.537
<i>Sub-total</i>	<i>1,394.827</i>
Total for consequential aggregates announced since the UK budget on 11 March in respect of COVID-19 expected to be received in the UK Main Estimates	1,856.307