

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



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref

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

4 December 2017

Dear Simon

UK Autumn Budget 2017 - Consequentials to the Wales DEL

In line with established practice, I am writing to advise you of the Barnett consequentials for Wales resulting from the UK Government's Autumn budget. These figures are subject to confirmation in the settlement letter from HM Treasury, which has yet to be received.

Please find attached, at Annex A, a detailed list of all Barnett consequentials, along with aggregated totals for each classification of expenditure in the financial years 2017-18 to 2020-21. I hope that this information is useful to the Committee.

During Finance Committee on 23 November, I committed to confirm the level of additional funding Wales will receive as a result of the operation of the fiscal framework. Following the additional allocations in the UK Autumn Budget, in total the 105 per cent Barnett multiplier provides Wales with an additional £69 million over the period covered by the Welsh Government's draft Budget. Within that total there is around £20 million additional resource provision over the next two years (2018-19 and 2019-20) and £49m additional capital over the period 2018-19 to 2020-21.

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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.

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Annex A – Impact of the UK Government Autumn Budget 2017 on the Wales DEL

Table 1. Barnett Consequentials Aggregates

Expenditure Classification	£000s ¹				
	2017-18	2018-19	2019-20	2020-21	Total
Resource DEL	4,847	113,381	100,827		219,055
Capital DEL (General)	33,724	45,998	113,235	144,267	337,224
Capital DEL (Repayable Financial Transactions)	89,967	157,402	193,259	206,255	646,883
Total DEL	128,538	316,781	407,321	350,522	1,203,162

¹ Figures are subject to HM Treasury roundings.

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Table 2 Consequentials

Measure	Expenditure Classification ²	£000s			
		2017-18	2018-19	2019-20	2020-21
Air Quality					
Compliance Funding	RDEL	675	732	732	
Compliance Funding	CDEL	281	2,533	3,378	2,252
Clean Air Fund	RDEL		2,534	3,097	
Clean Air Fund	CDEL		2,815	3,097	563
Transport					
Nexus Rolling Stock Replacement – NPIF	CDEL			1,216	1,678
Transforming Cities Fund – NPIF	CDEL			10,134	11,823
Local Roads	CDEL	2,590			
Midlands Connect: Motorway Hub	RDEL	56			
Midlands Connect: Motorway	CDEL		113	56	
Health					
Health - Resource	RDEL	18,973	90,136	50,726	
Health - Capital	CDEL	28,488	19,930	39,860	48,363
Housing					
Housing Infrastructure Fund	CDEL			10,134	33,780
National Housing Fund (Small / Stuck Sites infra and remediation)	CDEL		12,949	16,890	5,630
Land Assembly Fund - NPIF	CDEL			10,416	16,890
Help to Buy Equity Loan	FT	89,967	136,021	157,809	179,203
Home Building Fund for SMEs	FT		17,340	29,389	20,831
Estate Regeneration	FT		2,815	3,941	4,504

² Resource DEL (RDEL), Capital DEL (CDEL) (general), Capital DEL (FT) (Repayable Financial transactions)
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Measure	Expenditure Classification ²	£000s			
		2017-18	2018-19	2019-20	2020-21
Voluntary Right to Buy Pilot	RDEL			3,941	
Private Rented Access Scheme	RDEL		563	563	
Manufacturing Zones	RDEL		28		
Education					
Industrial Strategy – Skills	RDEL		2,491	4,189	
Teacher Development	RDEL		450	788	
Work and Pensions					
Relationship Support - Maintain Funding	RDEL		281	371	
Other					
Growth Hubs and Diffusion Pilot	RDEL		946	946	
Office for Data Analytics	RDEL	6	20	20	
Disabled Facilities Grant	CDEL	2,365			
Waste Crime Enforcement	RDEL		281	281	
Jodrell Bank Observatory	CDEL		28	113	84
Local Growth and Regeneration Cultural Spend (from Reserve)	RDEL		113		
Flood Defences (from Reserve)	CDEL		563	1,013	450
Flood Growth Fund (from Reserve)	CDEL		563	1,126	563
Grenfell (from Reserve)	RDEL		524	524	
Business Rates					
RPI to CPI in 2018-19 (change in CG receipts)	RDEL		4,802	14,700	
RPI to CPI in 2018-19 (change to LG DEL)	RDEL		8,180	14,700	
Continue 1k discount for Pubs (change in CG receipts)	RDEL		586		
Continue 1k discount for Pubs (change to LG DEL)	RDEL		991		
Efficiency Review					
Savings – DCMS	RDEL	-2,477	-2,308	-3,997	
Savings – DfE	RDEL	-12,386	-6,193	-2,421	
Wales 5% additional³					
Wales 5% additional	RDEL		8,224	11,667	

³ Draft budget included an assumption of £47m for the 5% additional

		£000s			
Measure	Expenditure Classification²	2017-18	2018-19	2019-20	2020-21
	CDEL		6,504	15,802	22,191
	FT		1,226	2,120	1,717
Total Barnett Changes		128,538	316,781	407,321	350,522