

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

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Llywodraeth Cymru
Welsh Government

Llŷr Gruffydd MS
Chair of Finance Committee
Senedd Cymru

3 July 2020

Dear Llŷr,

I wanted to make the Committee aware that HM Treasury has recently approved an advance of £856,557,000 from the UK Contingencies Fund to the Wales Office. This advance will allow the Secretary of State for Wales to meet the forecast cash requirement of the Welsh Government prior to the UK Parliament's approval of the 2020-21 Main Estimates expected in mid-July.

Normally, during these first few months of the financial year, the cash requirements of the Welsh Government are met by the 'vote on account' approved by the UK Parliament within the Supply and Appropriation (Anticipation and Adjustments) Act of the previous year. However, as a result of the unprecedented additional expenditure that has occurred in response to the coronavirus pandemic, the vote on account limit is insufficient to cover the cash required throughout July as it was set prior to the increases to our 2020-21 budget. This increased annual budget, along with the cash funding to back it, is not available until the Main Estimate 2020-21 is formally approved by the UK Parliament.

The Contingencies Fund is a standard UK procedure to access cash to meet the short term need in advance of approval of the Main Estimate and will be repaid once the Main Estimate is approved. The Wales Office will account for the advance and its repayment.

I hope you find this information helpful. I am copying this letter to the Auditor General for Wales for information.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

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.