

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

5 August 2025

Dear Peredur,

I am writing to provide the Committee with details of the Welsh Government's Barnett formula consequentials from the UK Spending Review announced on 11 June 2025.

The information set out in Annex A shows resource allocations for the financial years 2026-27, 2027-28 and 2028-29; general capital and financial transactions capital allocations for the financial years 2026-27 to 2029-30. The information is available only in terms of consequentials relating to overall allocations at UK Government department-level.

I remain committed to continuing to present our budgetary information in an open and transparent manner to support the Committee's scrutiny.

Yours sincerely,

Mark Drakeford MS
Cabinet Secretary for Finance and Welsh Language
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg

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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.

Annex A

UK Government Spending Review – Barnett Formula consequentials

The three tables below summarise the Welsh Government's Barnett formula consequentials from the recent UK Spending Review.

The tables cover fiscal resource funding, general capital, and financial transactions capital. All figures are changes relative to the 2025-26 baseline.

Resource Barnett Formula Consequentials (£m)

	2026- 27	2027- 28	2028- 29
Health and Social Care	518	1,109	1,720
Education	242	347	425
Housing, Communities and Local Government	23	37	49
Culture Media and Sport	2	4	22
Science, Innovation and Technology	2	2	2
Transport	-3	-12	-15
Environment Food and Rural Affairs	-2	-3	-7
Other	4	4	2
Business rates ¹	-113	-121	-139
Total	673	1,367	2,059

1. Removes consequentials funded by increases in Non-Domestic Rates income in England

General Capital Barnett Formula Consequentials (£m)

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	2026- 27	2027- 28	2028- 29	2029- 30
Education	84	52	52	52
Transport	45	50	42	65
Health and Social Care	24	-4	67	59
Science, Innovation and Technology	4	9	10	13
Housing, Communities and Local Government	9	-9	-24	-32
Energy Security and Net Zero	-15	-10	-18	-24
Environment Food and Rural Affairs	-2	-2	-4	-5
Other	0	-2	-3	-5
Total	149	84	121	124

Financial Transactions Capital Barnett Formula Consequentials (£m)

	2026- 27	2027- 28	2028- 29	2029- 30
Housing, Communities and Local Government	36	30	45	65
Energy Security and Net Zero	2	12	31	43
Environment Food and Rural Affairs	4	5	6	5
Education	3	3	3	3
Science, Innovation and Technology	1	1	2	2
Other	0	1	1	1
Total	47	52	87	118