

**27 March 2018**

Dear Mark

## **FINANCIAL TRANSACTIONS CAPITAL**

As you are aware, the Finance Committee is interested in the funding allocated to Wales by the UK Government in the form of Financial Transactions Capital (FTC). During the scrutiny of the draft Budget 2018–19 the Committee came to the following conclusions:

**Conclusion 2** – The Committee is concerned by the issues associated with the repayable financial transactions capital, and how restrictions around the use of this funding may limit the Welsh Government to get best value for money in allocating these funds. The Committee will consider this further in 2018.

**Conclusion 5** – The Committee urges the Government to consider the potential for utilizing the financial transactions capital announced in the UK Budget for business support and Brexit preparations.

The Committee followed up this recommendation during its Second Supplementary Budget 2017–18 scrutiny in February 2018 and, in particular, the £90m FTC funding included in the UK Autumn Budget that had to be spent during this financial year. The Committee welcomed the additional FTC funding allocations in that supplementary budget and supported your attempts to gain flexibility to carry forward unspent funds above agreed limits.

We would like to keep the issue under review and would be grateful for regular updates to help us assess how FTC funding is being utilised in Wales. Initially we



would appreciate, when available, confirmation of the end of year position in terms of: 2017–18 FTC funds allocated; FTC underspends; and the amount of underspent FTC carried forward to 2018–19. Subsequently, the Committee requests details of FTC funding and allocations in future supplementary, draft and final budgets, as well as any developments in terms of flexibility of carry forward of this funding.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Thomas', written in a cursive style.

Simon Thomas

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

