

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: RE/672/22

Peredur Owen Griffiths, MS
Chair
Finance Committee,
Welsh Parliament,
Cardiff Bay,
Cardiff.
CF99 1SN

28 February 2022

Dear Peredur,

In the Finance Committee report: Scrutiny of the Welsh Government Draft Budget 2022-23, published earlier this month, recommendation 12 included *'that the Welsh Government: provides an update on Financial Transactions Capital allocations before the Final Budget is laid before the Senedd'*. In January, I provided details of the £1.7bn financial transactions capital (FT) we had invested to date. The FT investments we will now be making in the Final Budget 2022-23 are detailed at Annex A

The constraints and complexities on how ring-fenced FT can be used, and the timescales within which to develop proposals following the late announcement of the UK Spending Review, prevented us from setting FT spending plans as part of our draft budget. Further details of the allocations being made will be set out in the final Budget. It is not intended that this creates a precedent, with the intention that future FT capital allocations will be considered as part of the usual draft Budget processes in future.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

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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

MEG	Investment area	Title	Description	2022-23	2023-24	2024-25
				£000	£000	£000
Educ	Sustainable Communities for Learning (prev. 21st Century Schools & Colleges)	Education estate	To support improvements to our educational estate and the Mutual Investment Model (MIM) arm of the Sustainable Communities for Learning programme.	1,750	13,148	
			Total E&WL	1,750	13,148	0
CC	Decarbonisation of Welsh homes	Decarbonisation of Welsh homes	To test the use of new funding models, alongside the £72m general capital already allocated at draft Budget, to help accelerate the scale and pace of the decarbonisation of Welsh homes.	35,000	-	-
CC	Social Housing	Land for Housing	Helps Registered Social Landlords secure land for housing for affordable and market homes. Also provides a continuing stimulus to the economy by supporting the construction industry and supply chain, with many schemes providing jobs and apprenticeships for the local area.	8,000	-	-
CC	Social Housing	Tai Ffres	United Welsh have collaborated with the Welsh Government Homelessness team and Llamau to develop a youth housing service. Tai Ffres establishes an alternative housing pathway for young people 16-25 years of age, who do not meet threshold for homelessness services, or where the traditional route of supported accommodation services would not be suitable for them.	10,000	-	-

Annex A

CC	Transforming Towns	Transforming Towns	Town Centre Loans schemes - to unlock stalled town centre sites to bring forward development opportunities, which involves; the purchase of derelict or long term empty properties; renovation of dwellings and/or business premises to a suitable standard free from serious hazards (as a minimum); and assist in bringing town centres back to life.	5,000	10,000	10,000
CC	Active & Sustainable Travel	Net Zero Wales Transport Schemes	To progress the shift to low-emission vehicles, supporting improvements in air quality, particularly in urban areas, and contribute to addressing climate change. This funding will be used primarily to improve our charging infrastructure. It will also introduce an interest-free loan scheme to enable individuals, businesses and third sector organisations to purchase e-bikes and e-cargo bikes.	11,000	12,000	14,000
CC	Economic Development	Strategic Infrastructure Development	To continue the strategic infrastructure development at Cardiff Parkway, which forms part of the modal shift from private cars to public transport, a key objective of our approach to tackling carbon emissions from transport.	2,500	9,500	-
			Total CC	71,500	31,500	24,000
Econ	Business Support	Repayable Fund for SMEs and decarbonisation	The Repayable Fund for SMEs is a targeted fund that operates across all sectors of the economy with the particular aim of supporting the SME market. It assists SMEs to access funding and act as an economic stimulus that will encourage businesses to bring forward investment. The allocation provided will also support development of decarbonisation pilots.	8,000	13,000	19,000
			Total Econ	8,000	13,000	19,000

Annex A

SJ	Financial Inclusion	No Interest Loan Scheme pilot	Working together with the other three UK nations, this allocation will enable the piloting of a two year No Interest Loan Scheme to be delivered in Wales. The scheme will be targeted to help those who are often the most vulnerable in our society.	1,500	500	-
			Total SJ	1,500	500	0
			TOTAL FT ALLOCATIONS	82,750	58,148	43,000