

Rebecca Evans AC/AM
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MA/RE/0703/20

Llyr Gruffydd AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF10 3NQ

26 February 2020

Dear Llyr,

In recent weeks we have seen the devastating and unprecedented impacts being felt across Wales of Storm Dennis and Storm Ciara. Last week, we announced a financial package of up to £10m to deal with the initial response. The emergency funding relief scheme will ensure people, businesses and local authorities get financial help as quickly as possible.

Next week we are due to debate in Plenary the Second Supplementary Budget 2019-20 and the Final Budget 2020-21. Ahead of that, I thought it would be helpful to clarify how we intend to finance the initial response and to signal now that we expect further costs to fall in 2020-21 once the work to assess the overall impact and cost of the damage has been completed.

Turning to the immediate financial support package, we are monitoring closely the financial position across Welsh Government to identify risks and opportunities as we approach the end of the financial year. Based on the latest forecasts, we believe the initial package is affordable with existing budgets by redeploying emerging underspends across Departments. We would look to account for these adjustments in the end of year report to the Finance Committee.

In the unlikely event this is not the case, or more funding is needed in 2019-20 for the emergency relief, one option is for us to deploy s128 powers to authorise the use of resources given the public interest in this matter. Given the exceptional and unprecedented circumstances, I would hope the Finance Committee would be supportive of such a move if it proves necessary. I will write to you at the earliest opportunity if this looks like a possibility.

It is, however, more likely that costs will fall into 2020-21. In the Final Budget 2020-21 being published yesterday we acknowledge that we would look to reflect any further allocations in the First Supplementary Budget. While we have been able to mobilise funding in the short-

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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.

term, we expect the costs associated with the damage in the longer term will be significant. It is unlikely we will be able to reasonably absorb the costs of the works required within existing budgets going forward. For this reason, I have written to the Chief Secretary to the Treasury to signal that, in these circumstances, we would look to the UK Government for exceptional funding to meet these costs.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The script is cursive and fluid.

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