



Eich cyf/Your ref
Ein cyf/Our ref

National Assembly Members

16 April 2019

Dear Members,

Following oral assembly questions on 3 April I thought it would be helpful to share with members more detailed information on the funding we have deployed for Brexit preparations, including the initiatives we have supported through our European Transition Fund.

Brexit preparation Barnett consequential

In total, Wales has received a Barnett consequential of £51.8m over two years (£20.7m in 2018-19 and £31.1m in 2019-20) as a result of the UK Government's announcement of additional funding for Brexit preparations. An important principle of devolution is that Barnett consequentials are not ring-fenced for specific purposes and it is for the Welsh Government to decide how to allocate any additional funding in line with its priorities.

The consequential in 2018-19 was made available to support Welsh Government Brexit related staffing costs as well as supporting external Brexit activity through the EU Transition Fund. We have also taken this approach in setting budgets for 2019-20.

In September 2018, the then First Minister confirmed the Welsh Government planned to recruit nearly 200 extra staff to support Brexit activity. We allocated £10.1m for this purpose in 2018-19.

For 2019-20, £5m has already been allocated for Brexit staff requirements. A further £11.5m is ear-marked for this purpose in the Welsh Government's reserves to be allocated in a supplementary budget, once the full costs of the additional staffing requirement is established.

As I indicated in plenary on 30 January, £10.4m of the £31.1m is yet to be allocated. In setting plans for 2019-20, we had assumed we would receive a similar amount as in 2018-19. However, the Treasury only confirmed in December we would be getting £31.1m.

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

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

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

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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.

The European Union Transition Fund (ETF)

In January last year, we established a £50m ETF to help businesses, public services and other partner organisations. To-date, we have allocated more than £34m from the Fund.

A list of the projects supported so far is enclosed for information. This funding has been well-received and has built significant capacity across local authorities, businesses and the third sector to prepare for many of the consequences of Brexit.

It is important to note the ETF is not the only initiative through which we are helping Wales prepare for Brexit. In addition, across Ministerial portfolios and sponsored bodies consideration is being given to the reallocation and prioritisation of existing resources to tackle the challenges Brexit poses.

The Welsh Government supported Development Bank of Wales has funds under management in excess of £1.2billion with more than £600m available to support Welsh SMEs. Many of these funds have been developed in response to Brexit and are able to provide flexible funding solutions to meet the specific needs of business during these uncertain times.

List of the projects supported through the European Transition Fund so far

| Scheme/Project | Amount | Description |
|--|--------|--|
| Business Resilience | £9.2m | To be used over the next three years to help companies develop the new expertise and processes they will need in order to thrive, post Brexit. |
| Training and up-skilling | £6.2m | Support for the workforce in Wales' automotive and aero-industry sectors to up-skill the workforce improving the chances of developing the Welsh-based sites as the preferred locations for any future and post-Brexit European investments. |
| Support for farming, food and fishing sectors | £6.36m | Seven projects to support these sectors, for example developing the regulatory resilience, research and support for future business planning, research into future fisheries management and developing sustainable brand values. |
| Support for Welsh Universities | £3.5m | Wales' universities Global Wales II programme to drive international partnerships and promote Wales as a study destination in a post Brexit world. |
| Strengthen community cohesion | £1.52m | Expanding the regional community cohesion programme ensuring Wales is an inclusive country and there is zero tolerance of xenophobia, racism or bigotry. |
| Support to local authorities | £1.41m | Providing support to Local Authorities directly, and through the Welsh Local Government Association to identify and respond to Brexit. |
| Rights of EU Citizens in Wales | £1.28m | Support for Welsh organisations to prepare non-UK EU citizens ahead of Brexit. |
| Tackling Hate Crime and Community Cohesion Action Plan | £1.2m | Funding and support for Victim Support Cymru and a scheme offering one-off grants to organisations who work with Black, Asian and Minority Ethnic (BAME) and minority faith communities |

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| Preparing the health and social care services in Wales for Brexit | £0.75m | A number projects supporting the health and social care services understand and prepare for Brexit in Wales. This includes funding for the NHS Confederation in Wales, funding to participate in the UK Field Epidemiology programme, and research on the Social Care workforce. |
| Successor arrangements to EU structural funds | £0.59m | Expand preparations for successor arrangements to EU structural funds, building on work to support implementation of a post-EU regional investment model for Wales. |
| Settled Status and Immigration Advice | £0.5m | Funding for the provision of information and support, including immigration advice, to help EEA citizens living in Wales to provide the support and reassurance for them to apply successfully for settled status. |
| Local Resilience Forums | £0.5m | Support for Local Resilience Forums fulfil their roles in the command, control and co-ordination (C3) arrangements for Brexit preparations in Wales. |
| Food Standards Agency | £0.47m | To improve the capability of the FSA to become operationally ready for the transition work ahead. |
| Support for the Police | £0.43m | Funding for police partnership resilience, to enable Wales's police services to support Brexit preparations. |
| Developing the future regional investment approach | £0.35m | Benchmarking in partnership with the OECD to inform both our future regional investment approach and the implementation of the Economic Action Plan. |
| Support to the Welsh Council for Voluntary Action | £0.15m | Research into how the Brexit process could impact on community services in Wales and help the third sector plan for all eventualities. |

Yours sincerely,



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