



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Llyr Gruffydd AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff, CF99 1NA

6 June 2019

Dear Llyr,

**INVITATION TO ATTEND THE NATIONAL ASSEMBLY FOR WALES'S FINANCE COMMITTEE
SESSION ON WELSH GOVERNMENT CAPITAL FUNDING SOURCES**

1. Thank you for your letter of 3 May on your Committee's inquiry on the Welsh Government's capital funding sources. As I outlined previously, it would be more appropriate for the responsible Welsh Government minister to attend.
2. There are a number of publications that may inform the Committee's considerations. The Statement of Funding Policy sets out how the UK Government funds the devolved administrations and highlights other sources of funding available when they set spending plans. This is due to be updated at the upcoming Spending Review.
3. It may also be useful to consider the fiscal framework agreed between the UK and Welsh Governments in December 2016, which sets out agreed capital borrowing and reserve limits, and Block Grant Transparency publications, which document changes in block grant funding from Spending Review 2015 until last year's Budget.
4. As always, my officials are on hand if there is any additional information or clarification that you require on the issue of funding for the Welsh Government.

Best wishes,

A handwritten signature in blue ink, appearing to read 'Elizabeth Truss'.

RT HON ELIZABETH TRUSS MP



Annex – Links to publications

Statement of Funding Policy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/479717/statement_of_funding_2015_print.pdf
Welsh Government Fiscal Framework	https://www.gov.uk/government/publications/the-agreement-between-the-welsh-government-and-the-united-kingdom-government-on-the-welsh-governments-fiscal-framework
Block Grant Transparency	https://www.gov.uk/government/publications/block-grant-transparency-december-2018