



Llywodraeth Cymru  
Welsh Government

## E-mail request

Our ref: ATISN 15528  
Date: 15 October 2021

Dear

### ATISN 15528

Thank you for your request which was received on 22 September 2021. You asked for the following information with regard to UK Government spending on HS2:

identify and quantify the consequentials (for Welsh Government) and state their overall impact on the Welsh Government's budget.

Because of the way the Barnett formula operates at spending reviews, we do not know precisely the impact of changes to individual UK programmes on devolved budgets. Changes to the Welsh Government's block grant settlement at spending reviews are calculated based on changes to overall UK Government departmental settlements. For each UK department there is a comparability factor which represents the proportion of that department's expenditure allocated to programmes which are devolved. The devolved governments receive the same change, per person, as the UK department on the proportion of that department's expenditure which is devolved - based on the comparability factor. (In Wales this is now supplemented by the needs based factor.) The details of how the Barnett formula operates are set out in the Statement of Funding Policy<sup>1</sup>.

The comparability factors are generally based on the year prior to the spending review period and are kept constant for all years covered by the review. If allocations to non-devolved programmes within a UK Government department increase more rapidly than the overall budget over the spending review period, the devolved government still receives the same share of that increase per person as in the base year and effectively receives increases in respect of non-devolved programmes. (The opposite is also the case.)

At the 2015 Spending Review, the Welsh Government had a comparability factor with the UK Department for Transport of 80.9%, including zero comparability with HS2, as set out in the Statement of Funding Policy at the time<sup>2</sup>. The HS2 capital budget will have increased more quickly than the overall Department for Transport capital budget over the five years covered by that spending review. It is therefore the case that some of the total £755m that the Welsh Government received in relation to increases in the Department for Transport Capital Departmental Expenditure

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<sup>1</sup> [Statement of Funding Policy 2020.docx \(publishing.service.gov.uk\)](#)

<sup>2</sup> [statement\\_of\\_funding\\_2015\\_print.pdf \(publishing.service.gov.uk\)](#)

Limit (DEL) over that period was driven by increases in HS2 funding. However we cannot say precisely how much as detailed plans were not available at the time.

The Welsh Government's comparability factor with Transport was recalculated for the 2020 Spending review and now stands at 36.6%. The main drivers for this reduction are the increases in HS2 funding and the inclusion of Network Rail in the Transport DEL, both of which are deemed non-comparable by the UK Government.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,  
Welsh Government,  
Cathays Park,  
Cardiff,  
CF10 3NQ

or Email: [Freedom.ofinformation@gov.wales](mailto:Freedom.ofinformation@gov.wales)

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office,  
Wycliffe House,  
Water Lane,  
Wilmslow,  
Cheshire,  
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely