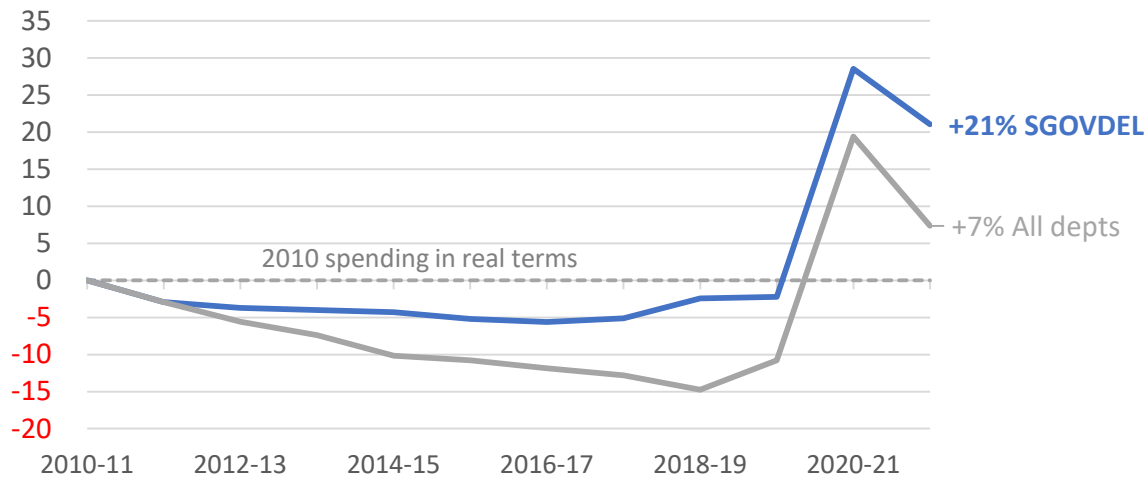


Scotland and the Office of the Secretary of State for Scotland (Scotland Office)

Long-term trends in Scotland's spending (in real terms)

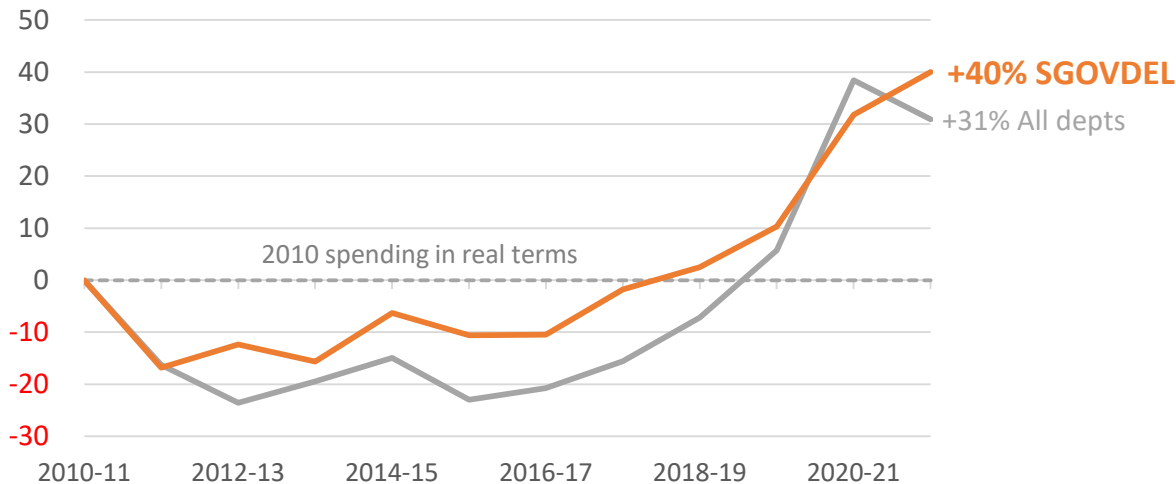
Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Day-to-day spending trends

- Funding for day to day spending for Scotland **reduced in real terms between 2010-11 and 2019-20** before rising sharply in 2020-21, largely as a result of Barnett Consequentials relating to **COVID-19 funding**. As the government's fiscal response to the pandemic reduces, Scotland's funding has also tapered off in the current financial year.
- Some additional funding outside of the Barnett arrangements, such as **post-EU Exit Farm Support** funding and **City Deals**, has also been provided, **boosting Scotland's funding above** what it would otherwise have been.

Percentage change in **investment spending** compared to 2010 (Capital DEL):



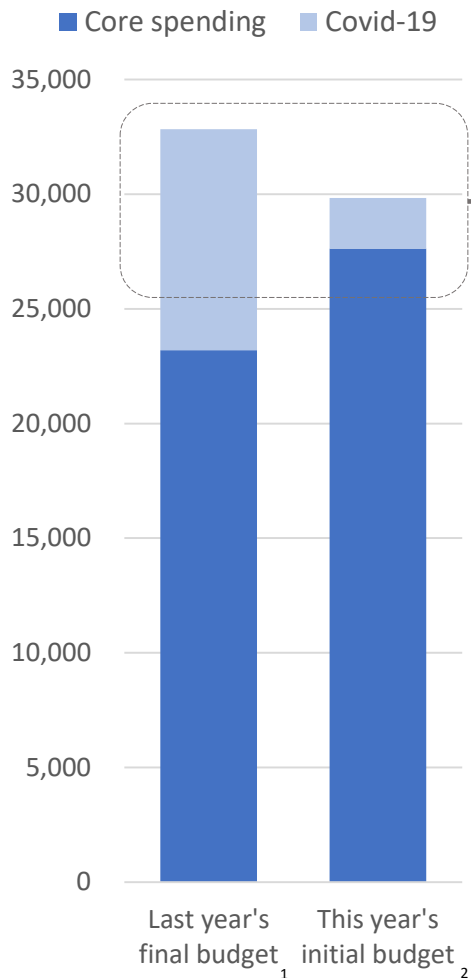
Investment spending trends

- Funding for investment is similarly affected by UK spending decisions and whether funding goes to devolved or non-devolved functions. For instance, more UK investment spending on defence does not benefit Scotland budgets as defence is a non-devolved function, whereas more UK funding on health does.

How is Scotland's day-to-day spending changing in 2021-22?

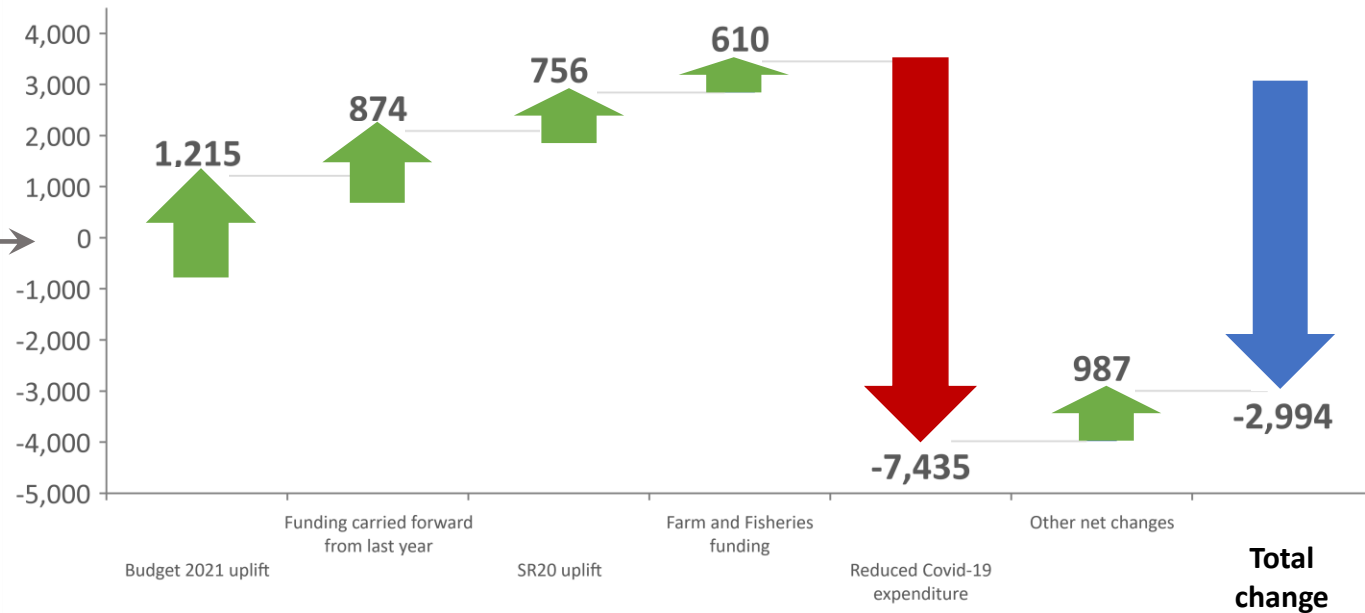
Scotland's day-to-day budget is decreasing by £2,994.1 (-9.1%)

Resource DEL budget in £m



Scotland's spending reduction is driven by a reduction in Covid-19 funding (possibly temporarily)

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- Covid-19 funding:** Last year Scotland received nearly £9 billion in Barnett Consequentials relating to Covid-19 funding. The majority of the reduction this year reflects considerably less spending across the UK on the pandemic.
- Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Scotland carried forward £874 million in day-to-day spending.
- Farming and fisheries:** Scotland received £584 million for farming and fisheries, outside of the Barnett formula (£584 million for farming, including the Bew review, and £14 million for fisheries).

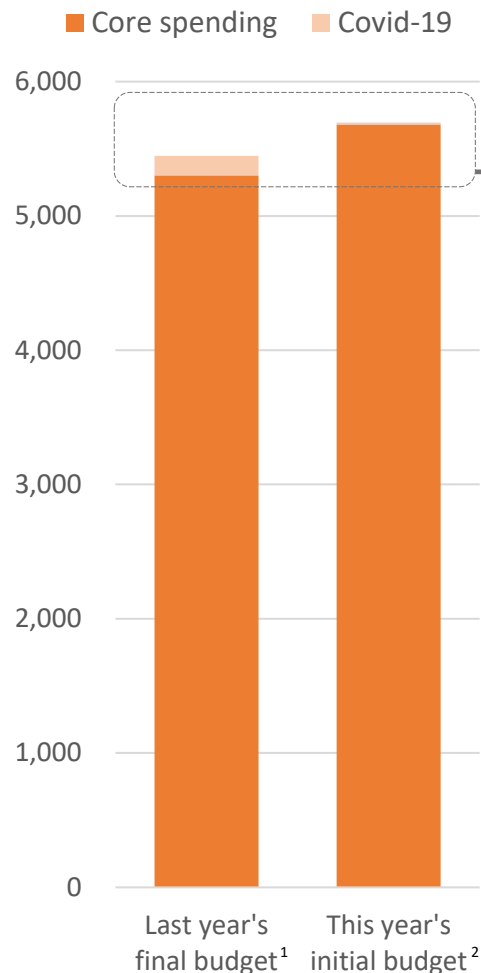
¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

How is Scotland's investment spending changing in 2021-22?

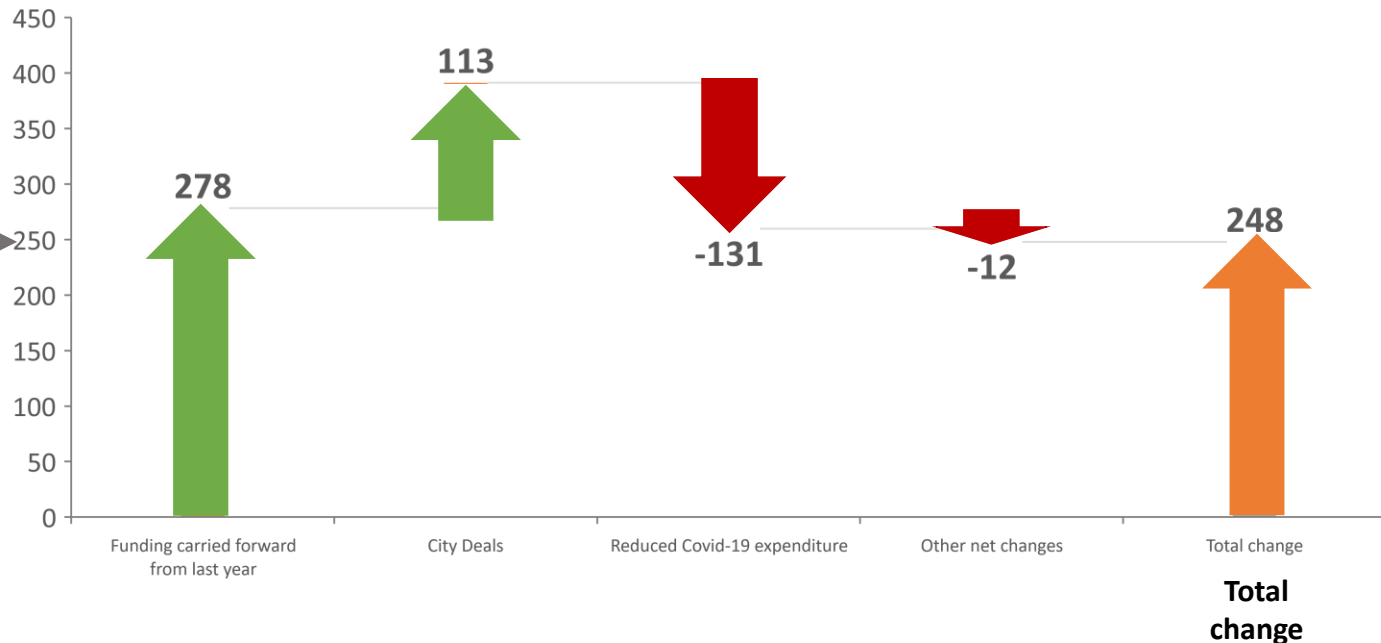
Scotland's investment budget is increasing by £247.8m (+4.5%)

Capital DEL budget in £m



Scotland's investment spending increase is driven by funding carried forward from last year

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- **Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Scotland carried forward £278 million of investment spending.
- **Covid-19 funding:** Last year Scotland received £147 million in Barnett Consequentials relating to Covid-19 investment funding. The reduced funding this year reflects less spending across the UK on the pandemic.
- **City Deals:** Scotland received £113 million in funding for City Deals, outside of the Barnett Formula.

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

Cash grant to the Scottish Government and funding for the Scotland Office

To the Scottish Government

Cash grant to the Scottish Government

£31,655.92 million (-£3,167 million (-10%) compared to last year's final budget)

This is the sum of

- Funding for day to day spending (Resource DEL)
- Funding for investment spending (Capital DEL)
- Adjustments to reflect differences between spending and cash (timing differences, debtors, creditors, and non-cash spending such as depreciation and write downs)

To the Scotland Office

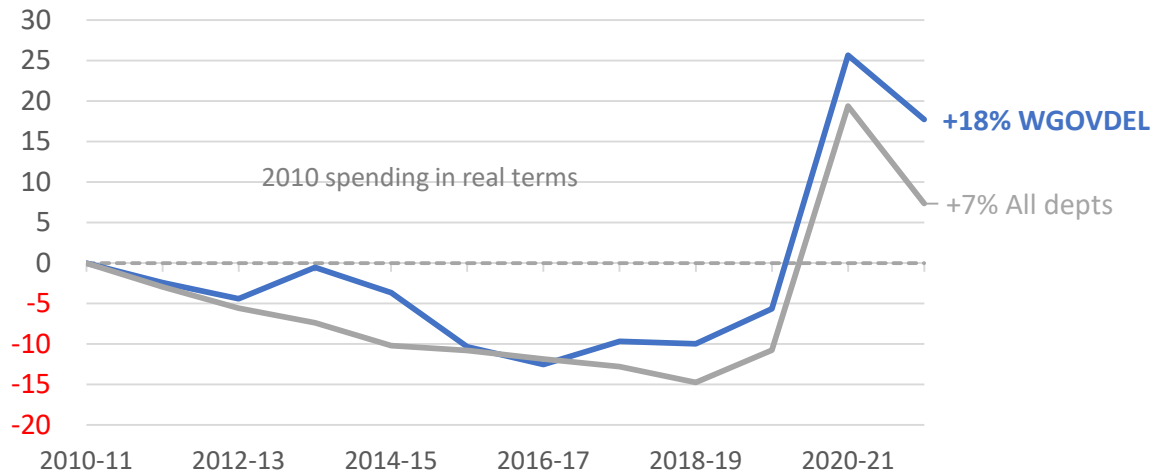
- *Day to day spending (Resource DEL) : £11.2 million (-£2.6 million (-24%) compared to last year's final budget)*
- *Investment spending (Capital DEL): £0.05 million (-£0.75 million (-1,568%) compared to last year's final budget)*

The key driver of this change is that last year's budget was inflated since the provision included additional funding relating to the Departments IT Transition and move to the UK Government Hub in Edinburgh.

Grant to the Welsh Government and Office of the Secretary of State for Wales (Wales Office)

Long-term trends in Wales' spending (in real terms)

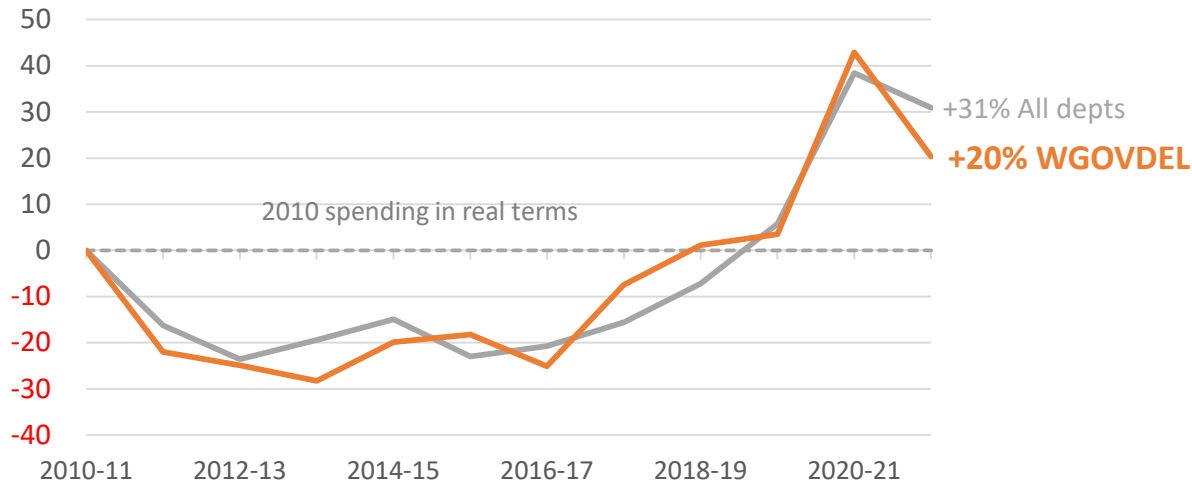
Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Day-to-day spending trends

- Since 2010 funding for day to day spending for Wales initially fell **less fast than overall UK gov't spending in real terms** and has since risen sharply is for the first time **above the 2010 levels**, driven by Barnett Consequentials.
- Some additional funding outside of the Barnett arrangements, such as **post-EU Exit Farm Support**, has also been provided.

Percentage change in **investment spending** compared to 2010 (Capital DEL):



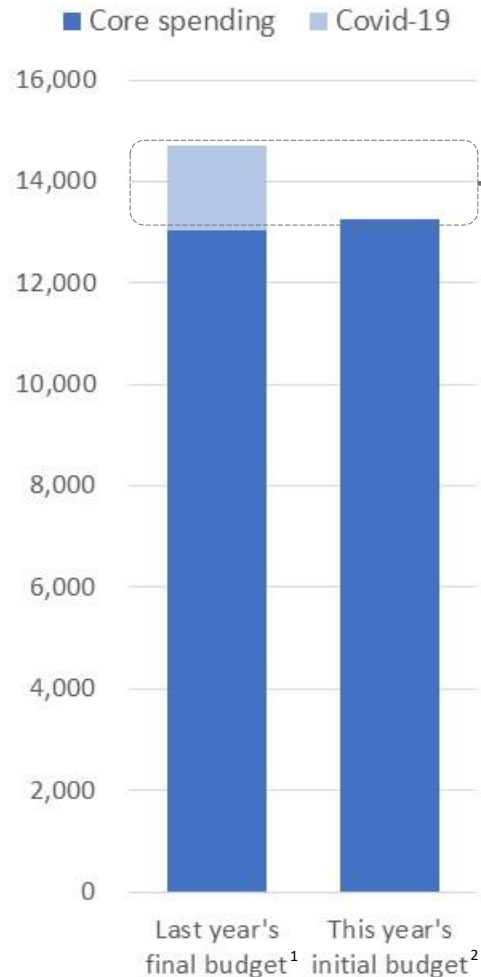
Investment spending trends

- Funding for investment is **similarly affected by UK spending decisions** and whether funding goes to **devolved or non devolved functions**.
- For instance, **more UK investment spending on defence** does **not** benefit Welsh budgets as **defence is a non devolved function**, whereas **more UK funding on health** does.

How is Wales' day-to-day spending changing in 2021-22?

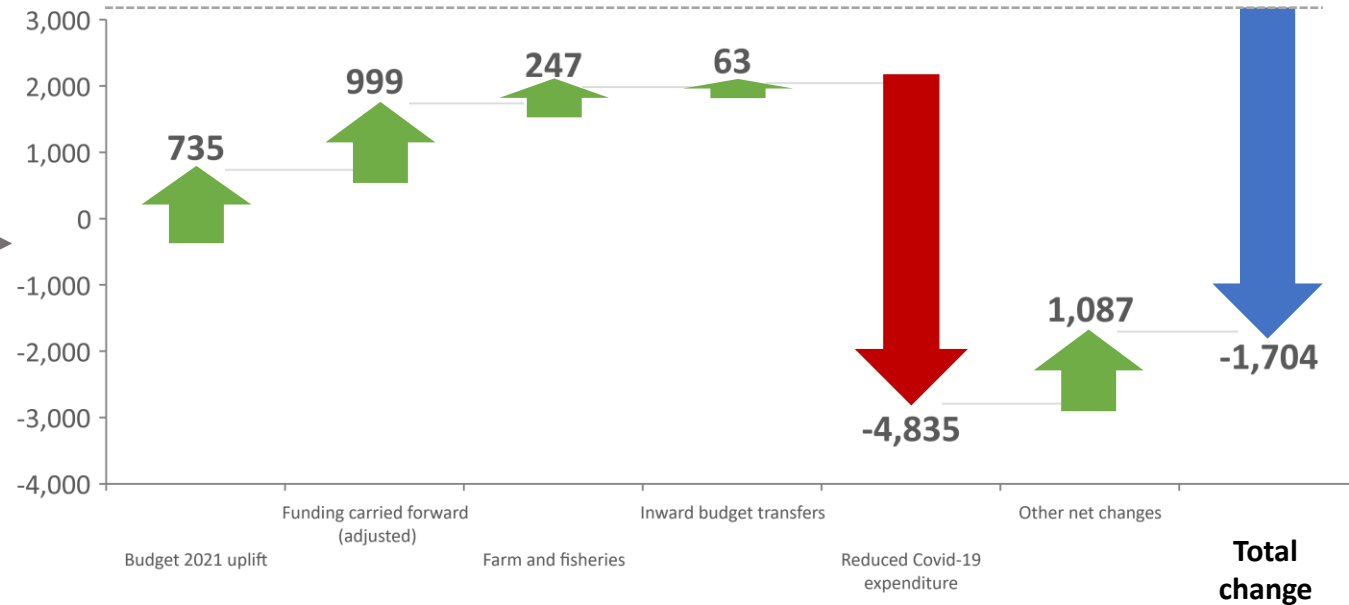
Wales' day-to-day budget is decreasing by £1,703.8 (-8.8%)

Resource DEL budget in £m



Wales' spending reduction is driven by a reduction in Covid-19 funding (possibly temporarily)

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- Covid-19 funding:** Last year Wales received nearly £6 billion in Barnett Consequentials relating to Covid-19 funding. The majority of the reduction this year reflects considerably less pandemic spending across the UK.
- Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Wales carried forward £999 million in day-to-day spending, after adjusting for transfers between day-to-day- and investment spending.
- Farming and fisheries:** Wales received £247 million for farming and fisheries, outside of the Barnett formula (£245 million for farming, including the Bew review, and £2 million for fisheries).

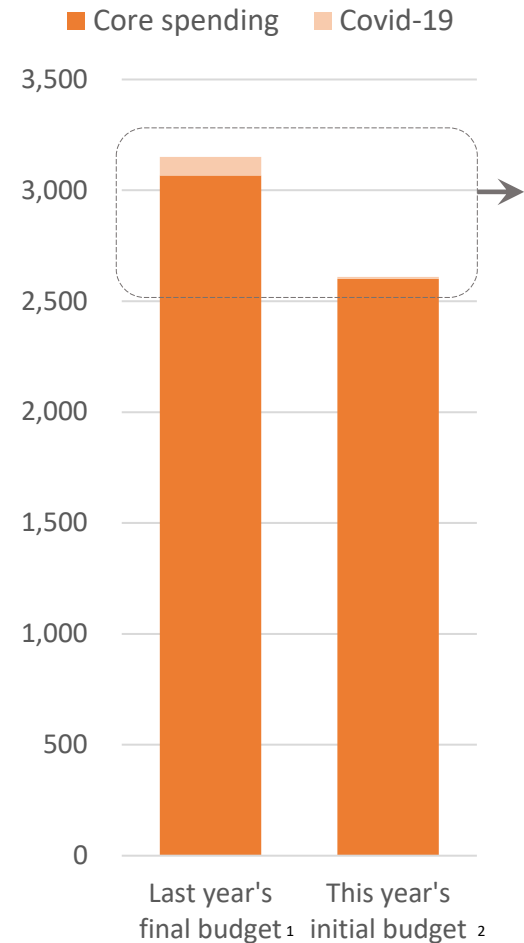
¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

How is Wales' investment spending changing in 2021-22?

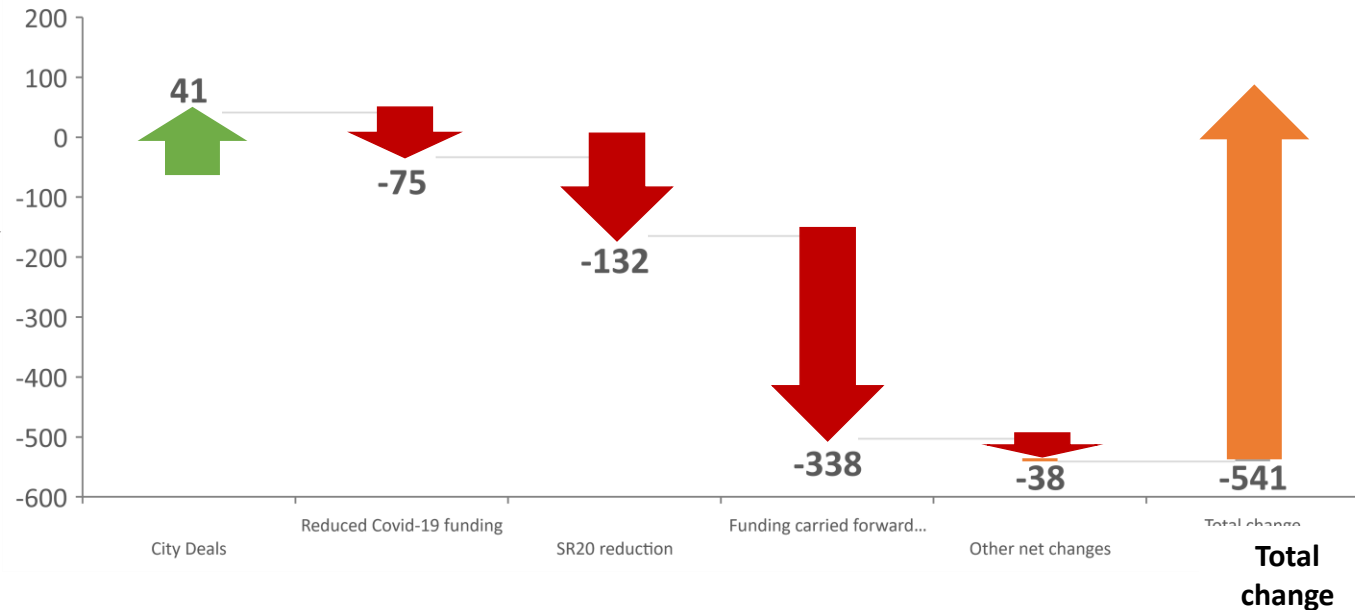
Wales' investment budget is decreasing by £541.2 (-17.7%)

Capital DEL budget in £m



Wales' investment spending decrease is driven by budgets adjustments between financial years

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Wales carried forward £137 million, however due to transferring around £500 million funding between capital and resource this resulted in a reduction compared to the previous year.
- Covid-19 funding:** Last year Wales received £84 million in Barnett Consequentials relating to Covid-19 investment funding. The reduced funding this year reflects less spending across the UK on the pandemic.
- City Deals:** Wales received £41 million in funding for City Deals, outside of the Barnett Formula.

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

Cash grant to the Welsh Government and funding for the Wales Office

To the Welsh Government

Cash grant to the Welsh Government

£18,249.8 million (-£2,541 million (-14%) compared to last year's final budget)

This is the sum of

- Funding for day to day spending (Resource DEL)
- Funding for investment spending (Capital DEL)
- Adjustments to reflect differences between spending and cash (timing differences, debtors, creditors, and non-cash spending such as depreciation and write downs)

To the Wales Office

- *Day to day spending (Resource DEL) : £5.1 million (-£0.2 million (-4%) compared to last year's final budget)*
- *Investment spending (Capital DEL): £0.03 million (+£0.05 million compared to last year's final budget)*

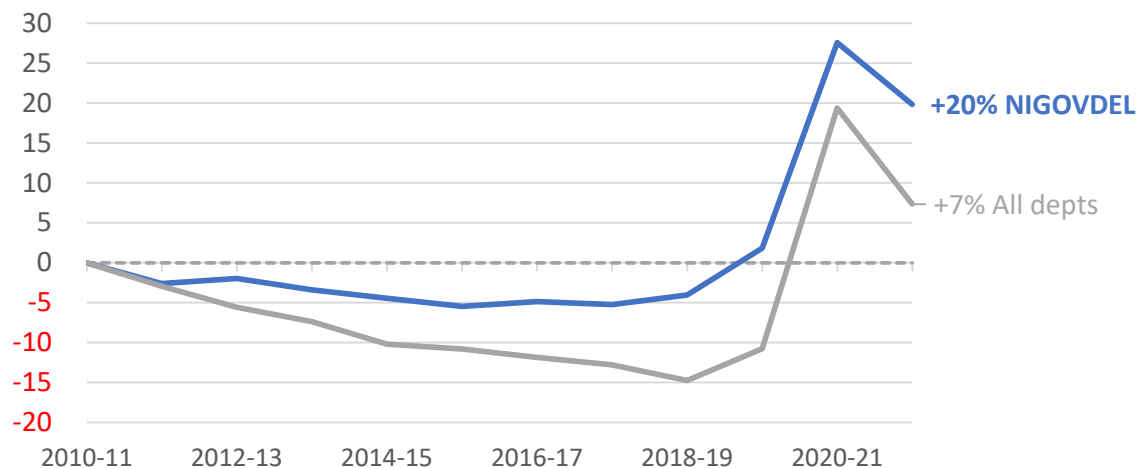
The key drivers of this change are:

- Reduced funding for EU Exit posts of £0.3 million;
- Reduced Covid 19 Communications Funding of £0.2 million; and
- Additional funding of £0.3 million for Gwydr House rental costs.

Grant to the Northern Ireland Executive and Office of the Secretary of State for Northern Ireland

Long-term trends in Northern Ireland's spending (in real terms)

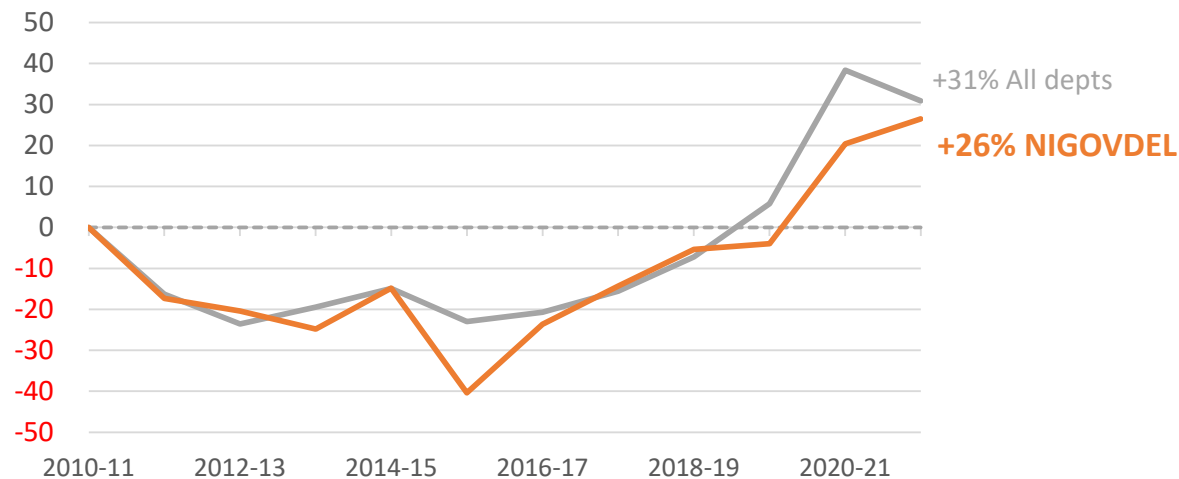
Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Day-to-day spending trends

- Funding for day-to-day spending for NI has **fallen slower than overall UK gov't spending in real terms**, and as of the 2019-20 once again reached 2010 levels before rising sharply as a result of covid-19 funding. Changes, through the Barnett formula, largely reflect where the UK Government has decided to allocate money, and whether it is to functions that are devolved in NI.
- Some additional funding outside of Barnett, such as **the extra funding under the Confidence and Supply agreement, City Deals and Fresh start** has also been provided, boosting NI's funding above what it would otherwise have been.

Percentage change in **investment spending** compared to 2010 (Capital DEL):



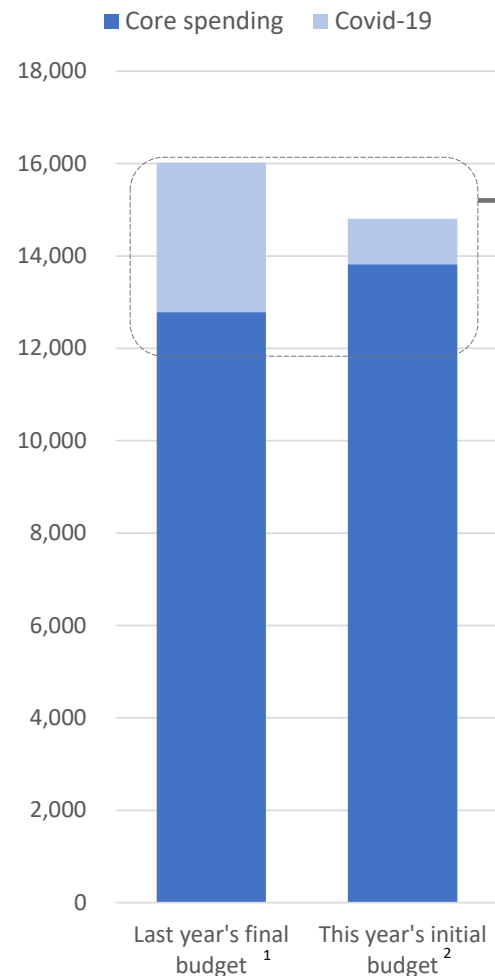
Investment spending trends

- Funding for investment is **similarly affected by UK spending decisions and whether funding goes to devolved or non devolved functions**.
- For instance, more UK investment spending on **defence** does **not** benefit NI budgets as **defence is a non devolved function**, whereas **more UK funding on health** does.

How is Northern Ireland's day-to-day spending changing in 2021-22?

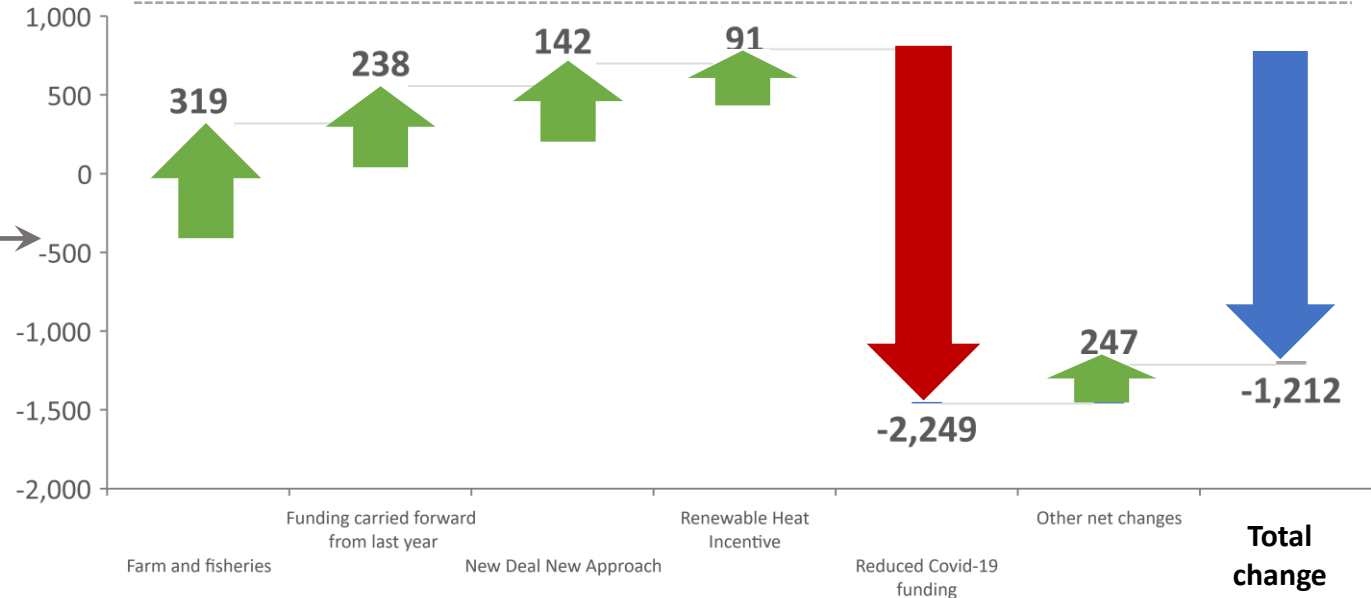
NI's day-to-day budget is decreasing by £1,212.4 (-7.6%)

Resource DEL budget in £m



NI' spending reduction is driven by a reduction in Covid-19 funding (possibly temporarily)

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- **Covid-19 funding:** Last year Northern Ireland received over £3 billion in Barnett Consequentials relating to Covid-19 funding. The majority of the reduction this year reflects far less pandemic spending across the UK.
- **Farming and fisheries:** Northern Ireland received £319 million for farming and fisheries, outside of the Barnett formula (£316 million for farming and £2 million for fisheries).
- **Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Northern Ireland carried forward £238 million in day-to-day spending, after adjusting for transfers between day-to-day- and investment spending.

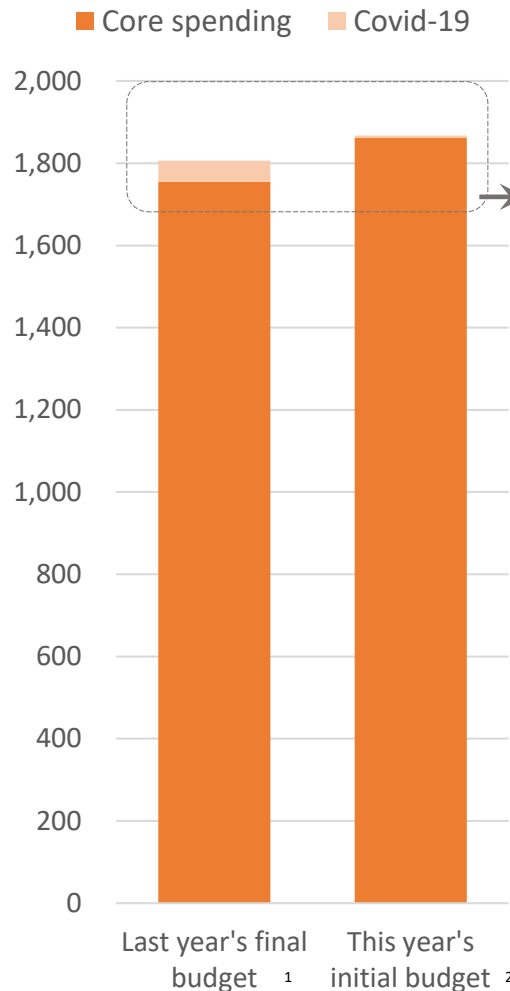
¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021))

² Initial Budget in Main Estimate 2021-22 (May 2021))

How is Northern Ireland's investment spending changing in 2021-22?

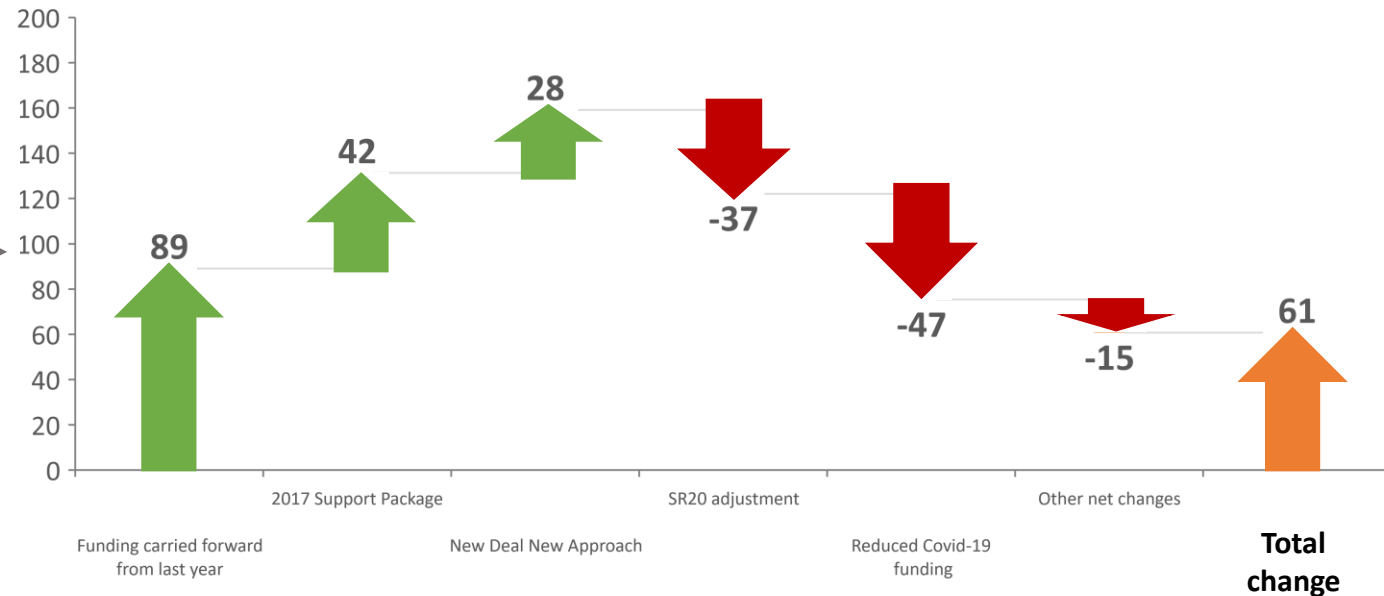
NI's investment budget is increasing by £60.7m (+3.4%)

Capital DEL budget in £m



NI's investment spending increases due to commitments from its "integrated review"

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- **Funding carried forward:** In recognition of the exceptional circumstances and in response to calls for flexibility, the devolved administrations were given the option to carry forward any of the additional funding provided at last year's supplementary estimate into 2021-22. Northern Ireland carried forward £89 million of investment funding.
- **Covid-19 funding:** Last year Northern Ireland received £50.2 million in Barnett Consequentials relating to Covid-19 investment funding. The reduced funding this year reflects less spending across the UK on the pandemic.
- **Previous political agreements** account for £70 million of additional investment funding (£42 million from the 2017 Confidence & Supply arrangement and £28 million for the "New Deal New Approach" agreement).

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

Cash grant to the Northern Ireland Assembly and funding for the Northern Ireland Office

To the NI Assemble

Cash grant to the NI Assembly

£22,602.3 million (-£0.5 million compared to this year's initial budget)

This is the sum of

- Funding for day to day spending (Resource DEL)
- Funding for investment spending (Capital DEL)
- Adjustments to reflect differences between spending and cash (timing differences, debtors, creditors, and non-cash spending such as depreciation and write downs)

To the Northern Ireland Office

- *Day to day spending (Resource DEL) : £34.8 million (+£2.5 million (+8%) compared to last year's final budget)*
- *Investment spending (Capital DEL): £0.3 million (-£0.3 million (-71%) compared to last year's final budget)*

The key drivers of this change are:

- Additional RDEL provision of £4.5m was awarded in 2021/22 at the Main Estimate to the Northern Ireland Electoral Office to support the 2021 Canvass in Northern Ireland.
- Additional CDEL provision of £0.56m was awarded at 2020/21 Supplementary Estimates to fund essential building alterations at the premises of the Northern Ireland Human Rights Commission, with a further £77k awarded for essential repairs at Stormont House. There is no equivalent funding in the 2021/22 Main Estimate.