

# New release shows the value of the Union to the nations of the UK

The Block Grant Transparency Report confirms that as of Main Estimates this year, the devolved administrations in Scotland, Northern Ireland and Wales had received £9.5 billion more new funding in 2020-21 through the Barnett formula since the previous report in December 2018. Of this, £6.0 billion was allocated at Main Estimates to tackle Coronavirus.

This means the devolved administrations have received an additional:

- £5.0 billion for the Scottish Government
- £2.9 billion for the Welsh Government
- £1.7 billion for the Northern Ireland Executive

In addition to this extra funding through the Barnett formula, the devolved administrations are also receiving over £950 million in 2020-21 to maintain direct payments to farmers.

The report details changes in the devolved administrations' block grant funding made since the last release in December 2018 up until the 2020-21 Main Estimates announced in May.

The funding for 2020-21 will also increase, following a guarantee from the UK Government last week that the nations will receive further funding to help tackle coronavirus.

Chief Secretary to the Treasury, Steve Barclay, said:

Last week I announced an unprecedented funding guarantee to give the devolved administrations certainty to plan ahead and deliver their own support schemes to tackle coronavirus.

Today's publication shows that this guarantee builds on the financial support that we have already provided, showcasing the strength and value of the Union.

As well as the block grant funding, Scotland, Wales and Northern Ireland benefit from UK Government spending on unprecedented UK wide measures, such as the Coronavirus Job Retention Scheme and Self-Employed Income Support Scheme, which have helped to protect over 1.7 million jobs in Scotland, Wales and Northern Ireland.

Businesses and individuals in Scotland, Wales and Northern Ireland will also benefit from the UK wide measures included in the Chancellor's Plan for Jobs announced earlier this month, including the Eat Out to Help Out Scheme, VAT cut and the Job Retention Bonus.

Spending by the devolved administrations is not funded exclusively by the block grant. The devolved administrations are also funded by local and devolved tax revenues, other revenue-raising powers – including fees and charges, and sales of goods, services and assets – grants from European institutions, and borrowing.

See Block Grant Transparency: July 2020 data [here](#).

## Notes

- The block grant publication sets out a detailed breakdown of the devolved administrations' block grant funding and is intended to increase transparency of the block grant calculation process.
- This third edition provides information for the years covered by the 2015 Spending Review and Spending Round 2019, and includes funding up to Main Estimates 2020-21. The last release was in December 2018.
- The publication includes funding allocated to tackle coronavirus up to Main Estimates 2020-21. This totalled £6.0 billion; £3.1 billion for the Scottish Government, £1.9 billion for the Welsh Government and £1.0 billion for the Northern Ireland Executive.
- The UK Government announced last week this is increasing to at least £12.7 billion; £6.5 for the Scottish Government, £4.0 billion for the Welsh Government and £2.2 for the Northern Ireland Executive.

	SG	WG	NIE	Total
<b>Coronavirus funding included in the publication</b>	£3.1bn	£1.9bn	£1.0bn	£6.0bn
<b>Additional coronavirus funding not included in the publication</b>	£3.4bn	£2.1bn	£1.2bn	£6.7bn
<b>Total coronavirus support to DAs</b>	£6.5bn	£4.0bn	£2.2bn	£12.7bn

Block grant factsheet:

- The devolved administrations in Scotland, Wales and Northern Ireland have control over policy areas which are devolved, such as education and health, but not over others which are reserved and therefore controlled directly by the UK Government, for example defence.
- The devolved administrations receive funding from the UK Government largely through 'block grants' for devolved areas, while policy which is reserved is funded directly by the UK Government.
- The Barnett formula determines changes to the block grant funding in relation to changes in UK Government departmental spending. The formula essentially provides the same pounds-per-person change in funding in each nation of the UK. It is applied when departmental budgets change at Spending Reviews, fiscal events and Main/Supplementary Estimates.
- The Barnett formula comprises three elements: the change in departmental spending; the extent to which the departmental spending is on a policy

area that is devolved in Scotland, Wales and Northern Ireland; and population.

- The Barnett-based block grants are increased in relation to devolved welfare powers and reduced in relation to devolved tax powers (with the devolved administrations retaining devolved tax revenues).
- The UK government funding provided to the devolved administrations is the Barnett-based block grant after these adjustments for welfare and tax devolution.
- Once the block grant has been determined, the devolved administrations have freedom to make their own spending decisions in areas of devolved responsibilities within the overall totals.