

UK Government must end austerity and provide the much-needed funding boost for public services and the economy – Mark Drakeford

In a letter to the Chief Secretary to the Treasury, Finance Secretary Mark Drakeford set out Wales' priorities ahead of the Autumn Budget on Monday 29 October 2018.

The Finance Secretary is urging the UK government to make a series of commitments to Wales, including:

- delivering on its promise that Wales will not lose a penny of funding from the decision to leave the EU
- increasing our borrowing capacity to support ongoing investment priorities
- assurance that the costs arising from the recently announced pay deals and pension changes will be fully funded
- continuing constructive joint working on the four new tax ideas
- recognise expert reports and reverse the decision not to devolve Air Passenger Duty to Wales
- address the significant under-investment in Wales' rail infrastructure and commit to an equitable share of rail funding for Wales

Finance Secretary Mark Drakeford said:

“We have repeatedly called for an end to the UK Government's failed austerity policy. Whilst I cautiously welcome the Prime Minister's recent indication that austerity is coming to an end, I look forward to hearing what this means in practice. It's time for the UK Government to increase public spending to meet the growing demands for public services and repair the damage inflicted by a decade of cuts.

“There remains significant pressure on the resources available to the Welsh Government to invest in infrastructure. We already make full use of our borrowing capacity, but in order to continue to deliver our ongoing investment priorities we need to see an increase.

“We have consistently called for an end to the cap on public sector pay, so we welcome announcements of pay deals in excess of 1%. We now expect the UK Government to provide the requisite funding – for all workforce groups – to avoid increases in pay impacting on the delivery of vital public services.”

The Finance Secretary also urged the UK government to ensure that Wales receives the same level of funding from current EU programmes after Brexit – without any top slicing or conditions attached.

He added:

“Brexit related uncertainties continue to depress the growth prospects for Wales and the UK as a whole. The Chief Economist’s Report published earlier this month, notes, in line with a range of independent experts, that our economy may already be around 2 per cent smaller as a result of the referendum result. A no-deal Brexit is likely to be catastrophic for the Welsh economy.

“I expect the UK Government to deliver the referendum promise that Wales would not lose out on a penny from the decision to leave the EU. Withdrawal from the EU must not take money from our communities or restrict our ability to continue investing in the economy and people of Wales.”