



All Members of the Senedd  
[membersofthesenedd@senedd.wales](mailto:membersofthesenedd@senedd.wales)

21 June 2024

Dear Member of the Senedd

## HS2 funding

During the plenary debate on HS2 funding on 5 June, there were references to various levels of additional funding the Welsh Government should receive in relation to the HS2 programme. There were also references to funding which had been 'lost to Wales' as a result of the misclassification of HS2 as an England and Wales project. I thought it would be helpful to set out the methodology behind the figures I used in my contribution, and why these figures provide a robust basis upon which a debate can be had.

It is not possible to say with any precision how much additional funding the Welsh Government should receive over the lifetime of the HS2 programme. We can however estimate how the Welsh Government's block grant would have changed to date, if HS2 had been classified as an England only programme. More precisely it is possible to calculate the additional funding the Welsh Government would have received since 2015 if it had comparability with HS2 in the Barnett formula. (HS2 was not separately identified in the comparability schedule at the time of the 2010 spending review or 2013 spending round, so there were no Barnett formula comparability issues before the 2015 spending review.)

**In aggregate the additional funding would have totalled around £350 million for years up to 2024-25, including changes up to and including the March 2024 Budget.**

The additions arise because the Welsh Government would have had a higher comparability factor with the Department for Transport (DfT) at Spending Reviews. DfT has generally seen increases to its budget over the period, so higher comparability would have meant bigger positive consequentials for the Welsh Government's block grant through the Barnett formula. The Welsh Government would also have received consequentials from changes outside spending reviews, including individual HS2-related allocations.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto:Gohebiaeth.Rebecca.Evans@llyw.cymru)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I hope this helps to clarify the position on the impact of HS2 funding, at least regarding the Welsh Government's block grant to date.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca". The script is cursive and fluid.

**Rebecca Evans AS/MS**

Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet  
Cabinet Secretary for Finance, Constitution & Cabinet Office