

Extra £800 million to support Scotland, Wales and Northern Ireland through Covid-19 this year

News story

New funding of £800 million is being guaranteed for the devolved administrations in Scotland, Wales and Northern Ireland to support people, businesses and public services with the ongoing impact of Covid-19.



- UK Government guarantees extra £800 million of new funding for Scotland, Wales and Northern Ireland
- new funding will continue to help the devolved administrations to support people and businesses through coronavirus
- all parts of the UK will continue to receive direct support provided by the UK Government, including furlough and business loans

Today's announcement increases the UK Government's unprecedented upfront guarantee this year to at least £16.8 billion on top of funding outlined in Spring Budget 2020.

This funding can be spent on priorities such as the NHS and business support.

This means a further £400 million for the Scottish Government, £200 million for the Welsh Government and £200 million for the Northern Ireland Executive.

Any changes to devolved funding are normally confirmed towards the end of the financial year – but in July the UK Government introduced an unprecedented guarantee to provide them with funding certainty to respond to Covid-19.

Today's announcement ensures that all parts of the UK can continue their response to Covid-19 through the winter months.

The Chief Secretary to the Treasury Steve Barclay MP said:

We've already committed unprecedented levels of support to

Scotland, Wales and Northern Ireland.

This extra funding will provide the nations with the certainty they need to plan through these difficult months.

We remain committed to an economic recovery for the whole of the United Kingdom and will continue to work closely with the devolved administrations to support people and businesses.

People and businesses in Scotland, Wales and Northern Ireland will also continue to benefit from the UK Government's unprecedented £280 billion UK-wide economic response package.

This includes schemes such as the Coronavirus Business Interruption Loan Scheme and the Bounce Back Loan Scheme providing billions in support to businesses across the three regions.

Alongside this, millions of jobs in the three regions continue to be supported through the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme.

Further information

- In July we announced an unprecedented upfront guarantee that the devolved administrations would receive at least £12.7 billion in additional resource funding this year to help them respond to coronavirus. In October we uplifted that by £1.3 billion to at least £14 billion, and in November we uplifted it further by £2 billion to at least £16 billion.
- The devolved administrations are able to spend this funding as they see fit across their devolved responsibilities.
- The guarantee applies to 2020-21 only, and final Barnett figures for 2020-21 will be confirmed at Supplementary Estimates 2020-21.
- This is on top of the borrowing powers the devolved administrations already have, which they can use to supplement the share of UKG borrowing they receive through the Barnett formula.
- Spending Review 2020 also confirmed £2.6 billion to the devolved administrations related to Covid-19 through the Barnett formula for 2021-22, on top of their combined baseline of over £60 billion.

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