

National Assembly for Wales

Final Budget 2009 December 2009

This research paper provides information on the Welsh Assembly Government's Final Budget 2009, which details spending plans for 2010-11.



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Final Budget 2009
December 2009

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Executive Summary

This paper provides information on the Welsh Assembly Government's Final Budget 2009, which details spending plans for 2010-11. It highlights changes that have been made since the draft budget proposals for 2010-11, and thus should be read in conjunction with the Members' Research Service paper [Draft Budget 2009](#).

The budget changes below are in absolute terms, no adjustments have been made for inflation. The current rate of inflation, using the Consumer Price Index (CPI) as at October 2008 is 1.5 per cent.¹ The latest estimate of the GDP deflator provided by HM Treasury is 1 per cent for 2009-10 and 1.5 per cent for 2010-11.

- Total managed expenditure (TME) allocated to Welsh Government departments is planned to **reduce by £32.2 million, (0.2 per cent)** in 2010-11 in comparison to 2009-10.
- Departmental expenditure limit (DEL) allocated to Welsh Government departments is planned to **reduce by £78.5 million, (0.5 per cent)** in 2010-11 in comparison to 2009-10.
- Annually managed expenditure (AME) is planned to **increase by £46.3 million (7 per cent)** in 2010-11 in comparison to 2009-10.
- The Final Budget plans for total allocations to Welsh Government departments to be **£16.8 million lower** than that stated in the draft budget proposals. This is wholly accounted for by an equal reduction in AME.

¹ As detailed on National Statistics [Inflation](#) pages [6 December 2009]

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Final Budget 2009

1. Impact of recession on public sector finances

The Final Budget Motion 2010-11² was laid by the Minister for Finance and Public Service Delivery (Andrew Davies) on 1 December 2009, as required under Standing Order 27.17. The Finance Minister also issued a Written Statement to introduce the motion.³ The budget motion was accompanied by a narrative document⁴ which provides additional information on spending plans at the spending programme area (SPA) level⁵ and summary tables summarising the main expenditure group (MEG) allocations.⁶

The Final Budget 2009 sets out the Welsh Government's spending plans for the financial year 2010-11 only, and does not provide indicative figures for future years. This is because 2010-11 is the final year covered by the 2007 Comprehensive Spending Review (CSR) and so is the only year for which there is a firm allocation.

Since Final Budget 2008⁷ was published, the outlook for most economies has undergone a dramatic change. For the UK, including Wales, this will have a major impact on public spending for the foreseeable future. The 2010-11 financial year is likely to be a turning point. The investment in the public sector over the last decade is now likely to face a significantly reduced rate of growth.

Generally, the third year of a spending review would see few changes from the previous years plans. However, the current economic climate has led both the Welsh and UK Governments to re-evaluate their plans for the financial year 2010-11. Consequently, the indicative plans for 2010-11 presented in Final Budget 2009-10 have altered significantly. In the Draft Budget Report 2010-11, it is stated that:

The overall budget settlement for 2010-11 is lower than the level set in the 2007 Comprehensive Spending Review, and indications are that this is the first in a series of increasingly tight budget settlements.⁸

Table 1 shows how the overall departmental expenditure limit (DEL)⁹ available to Wales has changed since the 2007 CSR.

² Welsh Government, [Annual Budget Motion 2010-11](#), December 2009. [6 December 2009]

³ Welsh Government Cabinet Statement, Minister for Finance and Public Service Delivery (Andrew Davies), [Annual Budget 2010-11](#), 1 December 2009. [6 December 2009]

⁴ Welsh Government, [Final Budget 2010-11](#), 1 December 2009. [6 December 2009]

⁵ The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. **Main expenditure groups (MEG)** are the highest level of detail and correspond to Ministerial portfolios or ambits. Below MEG level, expenditure is identified by **spending programme area (SPA)** and, within these, **actions**.

⁶ Welsh Government, [Final Budget 2010-11 Main Expenditure Group Allocations](#), 1 December 2009. [6 December 2009]

⁷ Welsh Government, [Final Budget 2009-10](#), 2 December 2008 [6 December 2009]

⁸ Welsh Government, [Draft Budget Report 2010-11](#) October 2009 [on 6 December 2009]

⁹ **Departmental expenditure limit (DEL)** - Normally set over three years as part of the UK Government's spending review. Most of the DEL is unhypothecated and allows the Welsh Government full discretion over its spending priorities (known as 'assigned budget' items). Changes in provision for these items are determined through the Barnett formula.

Table 1: Changes to Welsh DEL from CSR 2007

	2007 Comprehensive Spending Review	2008 Pre Budget Report (Nov 2008)	Change on CSR (per cent)	2009 Budget (Apr 2009)	Change on 2007 CSR (per cent)
Revenue DEL	14,215	14,200	-0.1	14,000	-1.5
Capital DEL	1,842	1,800	-2.3	17,000	-7.7
Total DEL	16,057	16,000	-0.4	15,700	-2.2

Source: HM Treasury, [2007 CSR](#), [2008 Budget Report](#) and [2009 Budget](#)

Thus, the DEL available to Wales for 2010-11 is **£300 million, or 2.2 per cent less than that predicted at the time of the 2007 CSR**. Of this £300 million reduction, around £200 million is revenue and £100 million is capital.

As a result of these UK fiscal decisions, all departments within the Welsh Government have been required to identify savings of 1.6 per cent revenue and 4.6 per cent capital on the indicative plans for 2010-11.¹⁰ Further details of these efficiency savings by portfolio can be found in the Members' Research Service paper [Draft Budget 2009](#) (section 5.1). These savings result in a total of £287.7 million, of which £212.6 is revenue and £75 million is capital.

Although the Final Budget 2009 is tight by recent standards, subsequent budgets are likely to be much more severe. However, it is difficult to predict the extent of any cutbacks in the absence of firm spending review figures from HM Treasury. The Pre-Budget Report due for release on 9 December 2009 may provide further information on the UK Government's plans.

¹⁰ Indicative plans for 2010-11 as detailed in Welsh Government, [Final Budget 2009-10](#), 2 December 2008 [6 December 2009].

1.1. Impact of lower inflation

HM Treasury has reduced the GDP deflator forecast from 2.75 per cent for both 2009-10 and 2010-11 to 1 per cent in 2009-10 and 1.5 per cent in 2010-11. This is important in considering the overall spending power of the Welsh Government, as a reduction in inflation assumptions implies that a fixed amount of cash will buy a larger quantity of goods/services. However, a further issue is whether these deflator forecasts adequately represent the cost pressures on the public sector, which may be more influenced by wage and contractor costs.

The effect of this uncertainty is that estimating the real terms changes is very difficult. It is important to remember that whilst the reduction in the GDP deflator forecast would appear to provide greater purchasing power, it is extremely difficult to provide a picture of the actual impact.

For the purposes of this document, all figures shown in real terms have been calculated using the GDP deflator to adjust for inflation currently set at 1.5 per cent for 2010-11.

2. Overview of the Welsh Block

Total managed expenditure (TME) comprises departmental expenditure limits (DEL) and annually managed expenditure (AME).¹¹

Schedule 6 of the Annual Budget Motion 2010-11¹² shows the resources made available by HM Treasury for the Welsh block, this is summarised in table 2. Thus, the total Welsh block is **£16.4 billion**.

Table 2: Resources made available by HM Treasury for the Welsh block for 2010-11

	<i>£ millions</i>		
	DEL	AME	Total
Revenue	13,993	529	14,522
Capital	1,749	176	1,925
Total	15,742	705	16,447

Source: Schedule 6 of Annual Budget Motion 2010-11

Table 3 provides details of the TME, and demonstrates that of the £16.4 billion available in the Welsh block, £15.8 billion of this is allocated to Welsh Government portfolios.

- The TME within the final budget (ie including reserves, provision for the Assembly Commission, Ombudsman and Auditor General) is **£16.4 billion**, representing an overall **increase of 2.5 per cent on 2009-10**. In real terms this represents a **1.0 per cent increase**.
- In comparison to the draft budget proposals for 2010-11, **TME has reduced by £16.8 million (0.1 per cent)**. This is wholly accounted for by an equal reduction in AME.
- AME within the final budget is £704.4 million, representing an **increase of 7.0 per cent on 2009-10**. In real terms, this is an **5.5 per cent increase**.

Table 4 provides details of the DEL, and shows that of the £15.7 billion available DEL in the Welsh block, £15.1 billion is allocated to Welsh Government departments. From this it can be seen that:

- The total DEL within the final budget (ie including reserves, provision for the Assembly Commission, Ombudsman and Auditor General) is **£15.7 billion**, representing a **2.3 per cent increase on 2009-10**. In real terms this represents a **0.8 per cent increase**.
- In comparison to the draft budget proposals for 2010-11, there has been **no change in total DEL**.

¹¹ **Annually managed expenditure (AME)** - Expenditure in AME is generally less predictable and controllable than expenditure in departmental expenditure limits (DEL) and therefore is negotiated with HM Treasury on an annual basis, rather than set as multi-year limits. AME is demand led and can only be allocated to the programme for which it is assigned. Further AME can be drawn down from HM Treasury if required, while any unspent portion will be reclaimed by HM Treasury.

¹² Welsh Government, [Annual Budget Motion 2010-11](#), December 2009. [6 December 2009]

As can be seen from table 4, since the draft budget proposals 2010-11, there has been an increase of £929,000 to the Ombudsman.¹³ This has been met from revenue reserves (£486,000) and capital reserves (£443,000).

¹³ The provision for the Ombudsman has been updated since the draft budget proposals to reflect that requested in the Ombudsman's estimate, as reported on by the Finance Committee in November 2009. For further details see the Committee's report: [Report on the Public Service Ombudsman for Wales' Estimates for the Financial Year 2010-11, November 2009](#) [3 December 2009].

Table 3: Total managed expenditure (TME) in the Welsh block

Main Expenditure Group	2009-10 Supplementary Budget	2010-11 Draft Budget	2010-11 Final Budget	Change 2009-10 to 2010-11	Change 2009-10 to 2010-11	Real terms change 2009-10 to 2010-11	Real terms change 2009-10 to 2010- 11	Change draft to final budget	Change draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Total Welsh Government TME Allocations	15,848,412	15,833,089	15,816,251	-32,161	-0.2	-265,899	-1.7	-16,838	-0.1
Revenue Reserves	80,674	226,369	225,883	145,209	180.0	141,871	175.9	-486	-0.2
Capital reserves held for the Strategic Capital Investment Fund	49,509	341,521	341,078	291,569	588.9	286,528	578.7	-443	-0.1
Assembly Commission	49,701	48,973	48,973	-728	-1.5	-1,452	-2.9	0	0.0
Auditor General for Wales	5,047	5,047	5,047	0	0.0	-75	-1.5	0	0.0
Public Services Ombudsman for Wales	3,279	3,279	4,208	929	28.3	867	26.4	929	28.3
Direct Charges	653	675	675	22	3.4	12	1.8	0	0.0
Total Wales TME	16,037,275	16,458,953	16,442,115	404,840	2.5	161,853	1.0	-16,838	-0.1

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11.

Table 4: Total departmental expenditure limits (DEL) in the Welsh block

Main Expenditure Group	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Health and Social Services	6,064,040	6,094,180	6,094,180	30,140	0.5	-59,921.8	-1.0	0	0.0
Social Justice and Local Government	4,403,494	4,502,328	4,502,328	98,834	2.2	32,297	0.7	0	0.0
Economy and Transport	1,209,711	1,153,970	1,153,970	-55,741	-4.6	-72,795	-6.0	0	0.0
Children, Education, Lifelong Learning and Skills	1,942,657	1,875,784	1,875,784	-66,873	-3.4	-94,594	-4.9	0	0.0
Environment, Sustainability and Housing	800,518	717,652	717,652	-82,866	-10.4	-93,472	-11.7	0	0.0
Rural Affairs	152,371	153,136	153,136	765	0.5	-1,498	-1.0	0	0.0
Heritage	162,463	162,493	162,493	30	0.0	-2,371	-1.5	0	0.0
Public Services and Performance	59,785	55,129	55,129	-4,656	-7.8	-5,471	-9.2	0	0.0
Central Services and Administration	395,310	397,198	397,198	1,888	0.5	-3,982	-1.0	0	0.0
Total Welsh Government DEL	15,190,349	15,111,870	15,111,870	-78,479	-0.5	-301,807	-2.0	0	0.0
Revenue Reserves	80,674	226,369	225,883	145,209	180.0	141,871	175.9	-486	-0.2
Capital reserves held for the Strategic Capital Investment Fund	49,509	341,521	341,078	291,569	588.9	286,528	578.7	-443	-0.1
Assembly Commission	49,701	48,973	48,973	-728	-1.5	-1,452	-2.9	0	0.0
Auditor General for Wales	5,047	5,047	5,047	0	0.0	-75	-1.5	0	0.0
Public Services Ombudsman for Wales	3,279	3,279	4,208	929	28.3	867	26.4	929	28.3
Direct Charges	653	675	675	22	3.4	12	1.8	0	0.0
Total Wales DEL	15,379,212	15,737,734	15,737,734	358,522	2.3	125,945	0.8	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11.

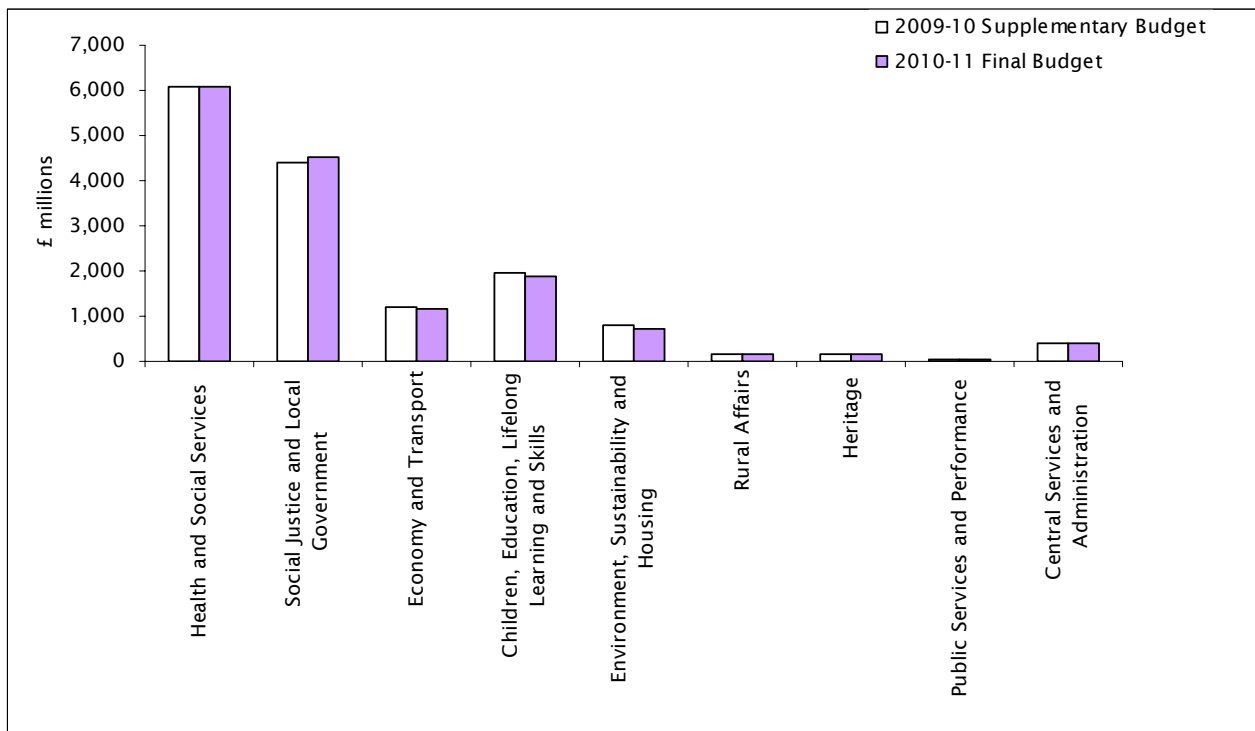
3. Overview of Welsh Government departmental allocations

From tables 3 and 4 above, it can be seen that:

- TME available to the Welsh Government to allocate to main expenditure groups (MEG) for 2010-11 is **£15.8 billion**, representing an overall **reduction of 0.2 per cent on 2009-10**. In real terms this represents a **1.7 per cent decrease**.
- In comparison to the draft budget proposals for 2010-11, **TME has reduced by £16.8 million (0.1 per cent)**. This is wholly accounted for by an equal reduction in AME.
- DEL available to the Welsh Government to allocate to MEGs is **£15.1 billion**, representing a **0.5 per cent reduction on 2009-10**. In real terms, this represents a **2 per cent decrease**.
- In comparison to the draft budget proposals for 2010-11, there has been **no change in total DEL**.

Figure 1 shows the departmental total DEL allocations in cash terms for both the 2009-10 supplementary budget and 2010-11 final budget.

Figure 1: Total DEL allocations to main expenditure groups in cash terms



Source: MRS calculations from Welsh Government Final Budget 2010-11

Table 5 shows the proportion of the total available DEL allocated to each main expenditure group over the three years, 2008-09 to 2010-11. In the final budget 2010-11, the largest MEG is Health and Social Services, which accounts for 40 per cent

of the total DEL; followed by Social Justice and Local Government which is 29 per cent; Children Education, Lifelong Learning and Skills accounts for 12 per cent, and Economy and Transport for 8 per cent. As can be seen from table 5, these proportions have not altered significantly over the last three years.

Table 5: Main expenditure groups as a percentage of total DEL

Main Expenditure Group Departmental Expenditure Limits	<i>per cent</i>		
	2010-11 Final Budget	2009-10 Final Budget	2008-09 Final Budget ¹
Health and Social Services	40.3	40.0	39.6
Social Justice and Local Government	29.8	29.4	29.7
Economy and Transport	7.6	7.9	8.1
Children, Education, Lifelong Learning and Skills	12.4	12.5	12.4
Environment, Sustainability and Housing	4.7	5.1	5.1
Rural Affairs	1.0	1.0	1.0
Heritage	1.1	1.1	1.1
Public Services and Performance	0.4	0.4	0.4
Central Services and Administration	2.6	2.6	2.6
Total Welsh Government DEL Allocations	100.0	100.0	100.0

Source: MRS calculations from Welsh Government budgets

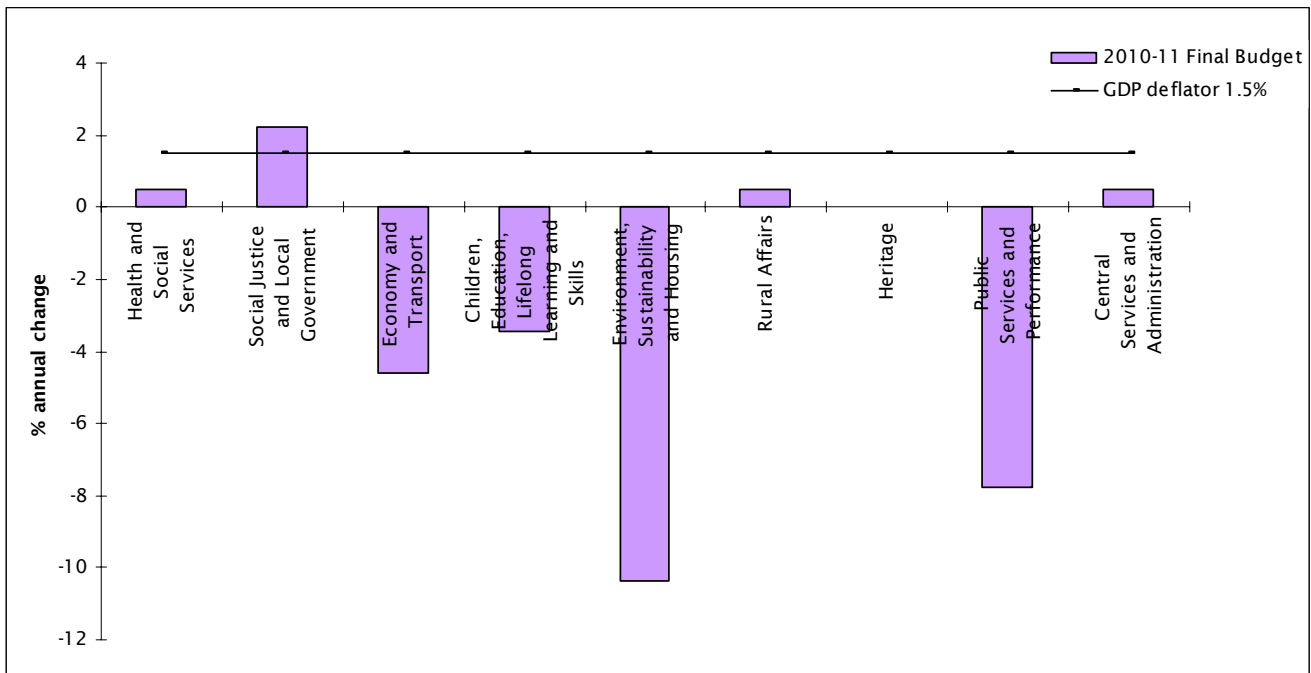
1. Note that the Central Services and Administration (CSA) MEG did not exist in the 2008-09 budget. The figure shown consists of the Central Administration, Match Funding and Other Ministerial Services MEGs that were later incorporated into the CSA MEG. Care must be taken when making comparisons between years as MEGs have not been adjusted for other inter-departmental transfers, also expenditure brought forward during the year or allocated from the Strategic Capital Investment Framework post-budget will not be included.

Figure 2 shows the year-on-year changes to the total DEL across the MEGs plotted against the projected rise in the GDP deflator for 2010-11.¹⁴ This gives an indication of relative changes and whether increases in the budget are above inflationary measures.¹⁵

¹⁴ Note that this is the same as the current rate of inflation using the Consumer Price Index CPI which is 1.5% as at October 2009, as on National Statistics [Inflation](#) pages. [on 6 December 2009]

¹⁵ It should be noted that changes made are skewed by the reduction in capital and also transfers between MEGs.

Figure 2: Year-on-year change in total DEL by MEG in cash terms



Source: MRS calculations from Welsh Government Final Budget 2010-11.

3.1. Revenue DEL changes

Table 6 provides details of the revenue DEL allocations across the Welsh Government MEGs. It should be noted that changes made are skewed by transfers between MEGs¹⁶. From this it can be seen that:

- The revenue DEL within the final budget is **£13.7 billion**, representing a **2.1 per cent increase on 2009-10**. In real terms, this represents an **increase of 0.6 per cent**.
- In comparison with the draft budget proposals for 2010-11, there is no change to **revenue DEL**.
- The largest percentage increase is to the Environment Sustainability and Housing portfolio which will increase by £18.9 million or 5.4 per cent, (£13.4 million or 3.8 per cent in real terms).
- The largest percentage reduction is to the Public Services and Performance portfolio, which is to decrease by £4.6 million or 7.8 per cent, (£5.4 million, or 9.2 per cent in real terms). However, this is mainly due to transfers between MEGS.¹⁷ This is also the largest cash reduction.
- The largest cash increase is in the Health and Social Services portfolio, which will increase by £145.9 million, or 2.6 per cent (£60.3 million or 1.1 per cent in real terms).

¹⁶ Table 1.1 of the [Draft Budget Report 2010-11](#) shows figures for the comparison in revenue funding for each MEG which have been adjusted to account for movements between MEGS. [6 December 2009]

¹⁷ In table 1.1 of the [Draft Budget Report 2010-11](#) which shows year-on-year changes adjusted to exclude inter-departmental transfers, this is shown as a 1 per cent cash terms reduction. [on 6 December 2009]

Efficiencies and savings of 1.6 per cent of indicative 2010-11 plans (as detailed in Final Budget 2009-10) for revenue DEL have been required across all the portfolios to account for the £216 million revenue reduction as a result of UK Government decisions.¹⁸

¹⁸ For further details of efficiency savings see section 5 of the MRS Research paper: [Draft Budget 2009](#) (November 2009) [6 December 2009]

Table 6: Revenue DEL allocations to Welsh Government main expenditure groups

Main Expenditure Group	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Health and Social Services	5,651,626	5,797,568	5,797,568	145,942	2.6	60,264	1.1	0	0.0
Social Justice and Local Government	4,327,063	4,424,070	4,424,070	97,007	2.2	31,627	0.7	0	0.0
Economy and Transport	718,106	722,958	722,958	4,852	0.7	-5,832	-0.8	0	0.0
Children, Education, Lifelong Learning and Skills	1,677,816	1,692,892	1,692,892	15,076	0.9	-9,942	-0.6	0	0.0
Environment, Sustainability and Housing	350,233	369,094	369,094	18,861	5.4	13,406	3.8	0	0.0
Rural Affairs	134,835	136,407	136,407	1,572	1.2	-444	-0.3	0	0.0
Heritage	145,166	147,371	147,371	2,205	1.5	27	0.0	0	0.0
Public Services and Performance	59,340	54,704	54,704	-4,636	-7.8	-5,444	-9.2	0	0.0
Central Services and Administration	355,277	361,165	361,165	5,888	1.7	551	0.2	0	0.0
Total Welsh Government Revenue DEL	13,419,462	13,706,229	13,706,229	286,767	2.1	84,212	0.6	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11.

3.2. Capital DEL changes

Table 7 provides details of the capital DEL allocations across the Welsh Government MEGs. It should be noted that changes are skewed by capital brought forward from 2010-11 into earlier years to provide an economic stimulus and the increase in capital reserves in 2010-11 which it is intended will be allocated to individual MEGs during the year.¹⁹

From this it can be seen that:

- The capital DEL within the draft budget is **£1.41 billion**, representing a **20.6 per cent reduction on 2009-10**. In real terms, this represents a **decrease of 21.8 per cent**.
- In comparison with the draft budget proposals for 2010-11, there is no change to **capital DEL**.
- The largest increase is to the Social Justice and Local Government portfolio which will increase by £1.8 million or 2.4 per cent, (£0.7 million or 0.9 per cent in real terms). This is the **only** portfolio to receive an increase in capital DEL in comparison to 2009-10.
- The largest percentage reduction is to the Children, Education, Lifelong Learning and Skills portfolio, which is to decrease by £81.9 million or 30.9 per cent, (£84.7 million, or 32 per cent in real terms).
- The largest cash reduction is in the Health and Social Services portfolio, which will decrease by £115.8 million, or 28.1 per cent (£120.2 million or 29.1 per cent in real terms).

Departmental capital allocations are lower than predicted for 2010-11, this is due to:

- Re-profiling of capital allocations²⁰ – the Welsh Government has brought forward some £120 million of capital from 2010-11 into earlier years to provide an economic stimulus. This means that for some portfolios 2009-10 capital allocations are elevated and those for 2010-11 are diminished;
- Reductions of 4.6 per cent for capital DEL have been required across all the portfolios to account for the £75 million reduction²¹ as a consequence of UK fiscal decisions.

¹⁹ Further details of capital brought forward and capital reserves can be found in the MRS Research paper: [Draft Budget 2009](#) (November 2009) [6 December 2009]

²⁰ For further details see section 4.2.1 of MRS Research paper: [Draft Budget 2009](#) (November 2009) [6 December 2009].

²¹ This is a Barnett consequential arising from a capital DEL reduction within the UK Department of Health. Further details of capital reductions can be found in the MRS Research paper: [Draft Budget 2009](#) (November 2009) [6 December 2009]

Table 7: Capital DEL allocations to Welsh Government main expenditure groups

Main Expenditure Group	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Health and Social Services	412,414	296,612	296,612	-115,802	-28.1	-120,185	-29.1	0	0.0
Social Justice and Local Government	76,431	78,258	78,258	1,827	2.4	670	0.9	0	0.0
Economy and Transport	491,605	431,012	431,012	-60,593	-12.3	-66,963	-13.6	0	0.0
Children, Education, Lifelong Learning and Skills	264,841	182,892	182,892	-81,949	-30.9	-84,652	-32.0	0	0.0
Environment, Sustainability and Housing	450,285	348,558	348,558	-101,727	-22.6	-106,878	-23.7	0	0.0
Rural Affairs	17,536	16,729	16,729	-807	-4.6	-1,054	-6.0	0	0.0
Heritage	17,297	15,122	15,122	-2,175	-12.6	-2,398	-13.9	0	0.0
Public Services and Performance	445	425	425	-20	-4.5	-26	-5.9	0	0.0
Central Services and Administration	40,033	36,033	36,033	-4,000	-10.0	-4,533	-11.3	0	0.0
Total Welsh Government Capital DEL	1,770,887	1,405,641	1,405,641	-365,246	-20.6	-386,019	-21.8	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11.

4. Health and Social Services

Table 8 provides information on the overall allocations within the Health and Social Services (HSS) MEG and shows changes since the draft budget. From this information it can be seen that there has been **no change to the overall DEL allocation** between the draft and final budgets. However, there have been some transfers between SPAs within the HSS MEG, these are shown in table 9. The Final Budget Report 2010-11 states that:

At Draft Budget £54 million of the additional revenue funding for 2010-11 was held in the NHS Allocations Spending Programme Area to allow time for further and more detailed consideration of the key priorities for funding in 2010-11. The Final Budget reflects the targeting of some of this funding.²²

- HSS DEL has seen an **overall increase of 0.5 per cent** (representing £30.1m) when compared to the 2009-10 figure. This consists of an increase of 2.6 per cent (£145.9m) in revenue and a decrease of 28.1 per cent (£115.8m) in capital.
- In **real terms**, HSS DEL has seen an **overall decrease of 1.0 per cent** (representing £59.9m). This consists of an increase of 1.1 per cent (£60.3m) in revenue and a decrease of 29.1 per cent (£120.2m) in capital.²³
- There is an increase of £49.6 million (123 per cent) in the AME allocation as compared with 2009-10.
- In comparison with the draft budget proposals for 2010-11, there is **no change** to revenue or capital DEL, although there have been transfers within the MEG.
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10) there have been revenue savings of £91.6 million (1.6 per cent) and capital savings of £14.3 million (4.2 per cent).²⁴

²² Welsh Government, [Final Budget 2010-11](#), (page 4), 1 December 2009. [3 December 2009]

²³ £58.4 million of the reduction in capital funding relates to the bringing forward of capital expenditure from 2010-11 to provide economic stimulus during the economic downturn. It is the effect of a reduction in funding in 2010-11 of £29.2 million, brought forward to 2009-10. This was within the Trust and LHB capital action. A further £14.3 million is due to capital savings as a result of UK fiscal decisions. Thus, accounting for £87.6 million of the £120 million reduction.

²⁴ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [4 December 2009].

Table 8: Health and Social Services main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limits									
NHS Allocations	5,453,320	5,473,512	5,434,006	-19,314	-0.4	-99,620	-1.8	-39,506	-0.7
Workforce Development	299,520	302,373	304,813	5,293	1.8	788	0.3	2,440	0.8
Information	29,576	29,493	29,493	-83	-0.3	-519	-1.8	0	0.0
Quality and Patient Safety	39,666	47,937	48,189	8,523	21.5	7,811	19.7	252	0.5
Primary Care	16,556	16,650	17,455	899	5.4	641	3.9	805	4.8
Mental Health	15,781	15,992	15,637	-144	-0.9	-375	-2.4	-355	-2.2
Chronic Diseases	16,996	9,083	6,983	-10,013	-58.9	-10,116	-59.5	-2,100	-23.1
Cancer	6,563	9,976	8,332	1,769	27.0	1,646	25.1	-1,644	-16.5
Other Healthcare	5,262	3,061	2,527	-2,735	-52.0	-2,772	-52.7	-534	-17.4
Better Access	1,734	1,714	1,033	-701	-40.4	-716	-41.3	-681	-39.7
Prevention	69,724	78,858	117,445	47,721	68.4	45,985	66.0	38,587	48.9
Children and Youth Justice Services	26,146	24,156	27,935	1,789	6.8	1,376	5.3	3,779	15.6
Older People's Services	4,000	2,411	2,451	-1,549	-38.7	-1,585	-39.6	40	1.7
Other Adult Social Care	79,196	78,964	77,881	-1,315	-1.7	-2,466	-3.1	-1,083	-1.4
Total DEL Health and Social Services	6,064,040	6,094,180	6,094,180	30,140	0.5	-59,922	-1.0	0	0.0
Annually Managed Expenditure									
NHS Impairments	40,222	89,849	89,849	49,627	123.4	48,299	120.1	0	0.0
AME - Health and Social Services	40,222	89,849	89,849	49,627	123.4	48,299	120.1	0	0.0
Revenue DEL	5,651,626	5,797,568	5,797,568	145,942	2.6	60,264	1.1	0	0.0
Capital DEL	412,414	296,612	296,612	-115,802	-28.1	-120,185	-29.1	0	0.0
Total DEL	6,064,040	6,094,180	6,094,180	30,140	0.5	-59,922	-1.0	0	0.0
Annually Managed Expenditure	40,222	89,849	89,849	49,627	123.4	48,299	120.1	0	0.0
Total - Health and Social Services	6,104,262	6,184,029	6,184,029	79,767	1.3	-11,623	-0.2	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11.

Table 9: Changes within the HSS MEG since Draft Budget 2010-11

Spending programme area	Amount of transfer (£m)	Transferred to/from	Reason
NHS Allocations	15.1		Reprioritisation within MEG (primarily from Prevention)
	3.7	Chronic Diseases; Cancer and Better Access	Transfers into local health boards (£2.2m from Chronic Diseases; £0.9m from Cancer and £0.7m from Better Access)
	1.0	Prevention	Substance misuse
	-49.7	Prevention	Public Health Wales body
	-3.2	Workforce Development	Modernisation
	-0.3	Quality & Patient Safety	Community Health Councils salary costs
	-1.2	Primary Care	Diabetic retinopathy
	-0.1	Cancer	Oncologist training
	-1.4	Prevention	Blood borne viral hepatitis
	-2.6	Children and Youth Justice	Children and Young Persons Act
	-0.7	Children and Youth Justice	Healthy Start
	-0.2	Children and Youth Justice	New born blood spot screening
	-39.5		
Workforce Development	3.2	NHS Allocations	Implementation of UK wide Staff and Associate Specialist Doctors Contract in Wales
	-0.8		Reprioritisation within MEG
	2.4		
Quality and Patient Safety	0.3	NHS Allocations	Agenda for Change
	0.3		
Primary Care	1.2	NHS Allocations	Diabetic retinopathy
	-0.4		Reprioritisation within MEG
	0.8		
Mental Health	-0.3		Reprioritisation within MEG
	-0.3		
Chronic Diseases	0.1		Reprioritisation within MEG
	-2.2	NHS Allocations	Transfer to local health boards in respect of renal services
	-2.1		
Cancer	0.1	NHS Allocations	Oncologist training
	-0.9	NHS Allocations	Transfer into local health boards in respect of cancer services
	-0.8	Prevention	Transfer to Public Health Wales body in respect of Welsh Cancer Intelligence and Surveillance Unit
	-0.1		Reprioritisation within MEG
	-1.6		
Other Healthcare	-0.5		Reprioritisation within MEG
	-0.5		
Better Access	-0.7	NHS Allocation	Transfer to local health boards in respect of Hospital travel Scheme
	0.0		Reprioritisation within MEG
	-0.7		
Prevention	50.4	NHS Allocations	Transferred to Public Health Wales body
	1.4	NHS Allocations	Blood borne viral hepatitis
	-12.2		Reprioritisation within MEG (primarily to NHS Allocations)
	-1.0	NHS Allocations	Substance Misuse
	38.6		
Children and Youth Justice Services	2.6	NHS Allocations	Children and Young Persons Act
	0.7	NHS Allocations	Healthy Start
	0.2	NHS Allocations	New blood born spot screening
	0.3		Reprioritisation within MEG
	3.8		
Older People's Services	0.0		Reprioritisation within MEG
	0.0		
Other Adult Social Care	-1.1		Reprioritisation within MEG
	-1.1		
Net total transfers	0.0		

Source: Welsh Government, Final Budget 2010-11

5. Social Justice and Local Government

Table 10 provides information on the overall allocations within the Social Justice and Local Government (SJLG) MEG and shows changes since the draft budget. There have been **no changes** to the SJLG MEG between the draft and final budgets.

- SJLG DEL has seen an **overall increase of 2.2 per cent** (representing £98.8m) when compared to the 2009-10 figure. This consists of an increase of 2.2 per cent (£97.0m) in revenue and an increase of 2.4 per cent (£1.8m) in capital.
- In **real** terms, the SJLG DEL has seen an **overall increase of 0.7 per cent** (representing £32.3m). This consists of an increase of 0.7 per cent (£31.6m) in revenue and an increase of 0.9 per cent (£0.7m) in capital.
- There is an increase of £0.6 million (4.3 per cent) to the AME allocation compared with 2009-10.
- In comparison with the draft budget proposals for 2010-11, there is **no change** to revenue or capital DEL allocations.
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £71.3 million (1.6 per cent) and capital savings of £3.8 million (4.6 per cent).²⁵

²⁵ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [4 December 2009].

Table 10: Social Justice and Local Government main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limits									
Local Government Funding	4,199,202	4,300,038	4,300,038	100,836	2.4	37,289	0.9	0	0.0
Supporting Communities and People	86,007	86,081	86,081	74	0.1	-1,198	-1.4	0	0.0
Safer Communities	58,988	57,365	57,365	-1,623	-2.8	-2,471	-4.2	0	0.0
Local Government Policy	39,032	38,397	38,397	-635	-1.6	-1,202	-3.1	0	0.0
Local Taxation Policy	16,465	16,064	16,064	-401	-2.4	-638	-3.9	0	0.0
Equality, Diversity and Inclusion	3,800	4,383	4,383	583	15.3	518	13.6	0	0.0
Total DEL - Social Justice and Local Government	4,403,494	4,502,328	4,502,328	98,834	2.2	32,297	0.7	0	0.0
Annually Managed Expenditure									
Total Local Government Funding	13,025	13,583	13,583	558	4.3	357	2.7	0	0.0
Total AME - Social Justice and Local Government	13,025	13,583	13,583	558	4.3	357	2.7	0	0.0
Revenue DEL	4,327,063	4,424,070	4,424,070	97,007	2.2	31,627	0.7	0	0.0
Capital DEL	76,431	78,258	78,258	1,827	2.4	670	0.9	0	0.0
Total DEL	4,403,494	4,502,328	4,502,328	98,834	2.2	32,297	0.7	0	0.0
Annually Managed Expenditure	13,025	13,583	13,583	558	4.3	357	2.7	0	0.0
Total - Social Justice and Local Government	4,416,519	4,515,911	4,515,911	99,392	2.3	32,654	0.7	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11.

6. Economy and Transport

Table 11 provides information on the overall allocations within the Economy and Transport (ET) MEG and shows changes since the draft budget. There have been **no changes** to the ET MEG between the draft and final budgets.

- ET DEL has seen an **overall decrease of 4.6 per cent** (representing £55.7m) when compared to the 2009-10 figure. This consists of an increase of 0.7 per cent (£4.9m) in revenue and a decrease of 12.3 per cent (£60.6m) in capital.
- In **real terms**, ET DEL has seen an **overall decrease of 6.0 per cent** (representing £72.8m). This consists of a decrease of 0.8 per cent (£5.8m) in revenue and a decrease of 13.6 per cent (£67.0m) in capital.²⁶
- There is a reduction of £17.6 million (3.6 per cent) in the AME allocation as compared with 2009-10.
- In comparison with the draft budget proposals for 2010-11, there is **no change** to revenue or capital DEL allocations.
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £7.1 million (1 per cent) and capital savings of £20.8 million (4.4 per cent).²⁷

²⁶ £33.4 million of the reduction in capital funding relates to the bringing forward of capital expenditure from 2010-11 to provide economic stimulus during the economic downturn. It is the effect of a reduction in funding in 2010-11 of £16.7 million, brought forward to 2009-10. These were within the actions of: Improve Integrated Transport (Local), £9 million; Developing Sustainable Infrastructure for Economic Development, £5.7 million; Strategic Regeneration Areas, £2 million. A further £20.8 million is due to capital savings as a result of UK fiscal decisions. Thus, accounting for £54.2 million of the £67 million reduction.

²⁷ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [4 December 2009].

Table 11: Economy and Transport main expenditure group

Spending Programme Area	2009-10 Supplementary Budget	2010-11 Draft Budget	2010-11 Final Budget	Change 2009-10 to 2010-11	Change 2009-10 to 2010- 11	Real terms change 2009-10 to 2010-11	Real terms change 2009-10 to 2010- 11	Change draft to final budget	Change draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limits									
Customer Support and Development of Policies & Strategies	3,361	3,088	3,088	-273	-8.1	-319	-9.5	0	0.0
Deliver Domestic & International Marketing and Major Events	9,690	9,928	9,928	238	2.5	91	0.9	0	0.0
Businesses Start, Grow, Prosper and Invest	119,783	112,455	112,455	-7,328	-6.1	-8,990	-7.5	0	0.0
Developing Sustainable Infrastructure for Economic Development and others	70,225	57,677	57,677	-12,548	-17.9	-13,400	-19.1	0	0.0
Internationalising the Welsh Economy	5,975	5,525	5,525	-450	-7.5	-532	-8.9	0	0.0
Develop Wales as a focal point for Innovation Technology & Commercialisation	23,325	21,990	21,990	-1,335	-5.7	-1,660	-7.1	0	0.0
Improve Domestic Connectivity (Regional & National)	378,238	396,001	396,001	17,763	4.7	11,911	3.1	0	0.0
Improve International Connectivity	249,852	229,244	229,244	-20,608	-8.2	-23,996	-9.6	0	0.0
Improve Integrated Transport (Local)	237,923	213,923	213,923	-24,000	-10.1	-27,161	-11.4	0	0.0
Improve Road Safety & Transport's Impact on the Environment	24,113	26,654	26,654	2,541	10.5	2,147	8.9	0	0.0
Implementation of Strategic Regeneration Areas	35,238	43,323	43,323	8,085	22.9	7,445	21.1	0	0.0
Manage Delivery of Legacy Regeneration Areas	29,134	17,600	17,600	-11,534	-39.6	-11,794	-40.5	0	0.0
Prepare Future Strategic Regeneration Areas	2,113	3,067	3,067	954	45.1	909	43.0	0	0.0
Provide Corporate Programmes and Services	12,813	6,090	6,090	-6,723	-52.5	-6,813	-53.2	0	0.0
Public Sector Broadband Aggregation	6,600	6,115	6,115	-485	-7.3	-575	-8.7	0	0.0
Manage the Delivery of Structural Fund Programmes in Wales	1,328	1,290	1,290	-38	-2.9	-57	-4.3	0	0.0
Total DEL - Economy and Transport	1,209,711	1,153,970	1,153,970	-55,741	-4.6	-72,795	-6.0	0	0.0
Annually Managed Expenditure									
Developing Sustainable Infrastructure for Economic Development (non-cash)	60,607	24,243	24,243	-36,364	-60.0	-36,722	-60.6	0	0.0
Improve Domestic Connectivity (Regional & National) (non cash)	163,702	170,819	170,819	7,117	4.3	4,593	2.8	0	0.0
Improve International Connectivity (non cash)	267,093	278,705	278,705	11,612	4.3	7,493	2.8	0	0.0
Total AME - Economy and Transport	491,402	473,767	473,767	-17,635	-3.6	-24,636	-5.0	0	0.0
Revenue DEL	718,106	722,958	722,958	4,852	0.7	-5,832	-0.8	0	0.0
Capital DEL	491,605	431,012	431,012	-60,593	-12.3	-66,963	-13.6	0	0.0
Total DEL	1,209,711	1,153,970	1,153,970	-55,741	-4.6	-72,795	-6.0	0	0.0
Annually Managed Expenditure	491,402	473,767	473,767	-17,635	-3.6	-24,636	-5.0	0	0.0
Total - Economy and Transport	1,701,113	1,627,737	1,627,737	-73,376	-4.3	-97,431	-5.7	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

7. Children, Education, Lifelong Learning and Skills

Table 12 provides information on the overall allocations within the Children, Education, Lifelong Learning and Skills (CELLS) MEG and shows changes since the draft budget. Since the draft budget proposals there has been an increase in AME.²⁸

- CELLS DEL has seen an **overall decrease of 3.4 per cent** (representing £66.9m) when compared to the 2009-10 figure. This consists of an increase of 0.9 per cent (£15.1m) in revenue and a decrease of 30.9 per cent (£81.9m) in capital.²⁹
- In real terms, CELLS DEL has seen an **overall decrease of 4.9 per cent** (representing £94.6m). This consists of a decrease of 0.6 per cent (£9.9m) in revenue and a decrease of 32.0 per cent (£84.7m) in capital.
- There is an **increase of 7.3 per cent** (£111.9 million) in the AME allocation as compared with 2009-10.
- In comparison with the draft budget proposals for 2010-11, there has been an **increase of £1.3 million (0.8 per cent) in AME**. This is stated to reflect the revised forecast for Student Loan issues, repayments and requests.³⁰
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £26.1 million (1.5 per cent) and capital savings of £8.8 million (3.9 per cent).³¹

²⁸ The [Final Budget 2010-11 Report](#) (page 10) also notes that the Draft Budget 2010-11 had wrongly classified this AME as revenue, therefore the Final Budget 2010-11 correctly reclassifies it as capital. [6 December 2009]

²⁹ £59 million of the reduction in capital funding relates to the bringing forward of capital expenditure from 2010-11 to provide economic stimulus during the economic downturn. It is the effect of a reduction in funding in 2010-11 of £25 million, brought forward to 2009-10 and £9 million brought forward from 2010-11 into 2008-09. The £25 million brought into 2009-10 were within the actions of: Higher Education, £5m; and Capital Improvement in the Business Improvement and Resource Investment SPA, £20 million. A further £8.8 million is due to capital savings as a result of UK fiscal decisions. Thus, accounting for £67.8 million of the £81.9 million reduction.

³⁰ Welsh Government, [Final Budget 2010-11 Report](#) page 10, 1 December 2009 [6 December 2009]

³¹ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [6 December 2009].

Table 12: Children, Education, Lifelong Learning and Skills main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limits									
Children Young People and School Effectiveness	227,442	204,111	204,111	-23,331	-10.3	-26,347	-11.6	0	0.0
Qualification, Curriculum and Learning Improvement	141,088	159,887	159,887	18,799	13.3	16,436	11.6	0	0.0
Skills, Higher Education and Lifelong Learning	1,069,202	1,067,210	1,067,210	-1,992	-0.2	-17,764	-1.7	0	0.0
Business Improvement and Resource Investment	504,925	444,576	444,576	-60,349	-12.0	-66,919	-13.3	0	0.0
Total DEL - Children, Education, Lifelong Learning and Skills	1,942,657	1,875,784	1,875,784	-66,873	-3.4	-94,594	-4.9	0	0.0
Annually Managed Expenditure									
Skills, Higher Education and Lifelong Learning	163,660	174,266	175,598	11,938	7.3	9,343	5.7	1,332	0.8
Total AME - Children, Education, Lifelong Learning and Skills	163,660	174,266	175,598	11,938	7.3	9,343	5.7	1,332	0.8
Revenue DEL	1,677,816	1,692,892	1,692,892	15,076	0.9	-9,942	-0.6	0	0.0
Capital DEL	264,841	182,892	182,892	-81,949	-30.9	-84,652	-32.0	0	0.0
Total DEL	1,942,657	1,875,784	1,875,784	-66,873	-3.4	-94,594	-4.9	0	0.0
Annually Managed Expenditure	163,660	174,266	175,598	11,938	7.3	9,343	5.7	1,332	0.8
Total Children, Education, Lifelong Learning and Skills	2,106,317	2,050,050	2,051,382	-54,935	-2.6	-85,251	-4.0	1,332	0.1

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

8. Environment, Sustainability and Housing

Table 13 provides information on the overall allocations within the Environment, Sustainability and Housing (ESH) MEG and shows changes since the draft budget. Since the draft budget proposals there has been a reduction in AME. There have also been a number of changes within SPAs.

- ESH DEL has seen an **overall decrease of 10.4 per cent** (representing £82.9m) when compared to the 2009-10 figure. This consists of an increase of 5.4 per cent (£18.9m) in revenue and a decrease of 22.6 per cent (£101.7m) in capital.³²
- In **real terms**, ESH DEL has seen an **overall decrease of 11.7 per cent** (representing £93.5m). This consists of an increase of 3.8 per cent (£13.4m) in revenue and a decrease of 23.7 per cent (£106.9m) in capital.
- There is a **decrease of 8.3 per cent (£6 million)** in the AME allocation as compared with 2009-10.
- In comparison with the draft budget proposals for 2010-11, there has been a decrease of £26 million (50 per cent) in AME. This is stated to reflect the revised forecast for Housing Revenue Account Subsidy income.³³
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £5.9 million (1.6 per cent) and capital savings of £16.8 million (4.2 per cent).³⁴

The following changes within SPAs have been made since Draft Budget 2010-11:

- Environment SPA – for the purpose of aligning responsibilities within the SPA there has been a transfer of £36,000 from the ‘Promote protected landscapes and countryside access’ action into the ‘Deliver nature conservation and marine policy’ action.
- Housing SPA – £1.64 million was incorrectly included in the ‘Increase the supply and choice of housing’ action at in the draft budget proposals. This has been corrected and now appears in the ‘Enable people to live independent lives’ action. Also, £59.9 million was included in the ‘Tackle homelessness’ action in the draft budget proposals. This has been corrected and now appears in the ‘Increase the supply and choice of housing’ action.

³² £68 million of the reduction in capital funding relates to the bringing forward of capital expenditure from 2010-11 to provide economic stimulus during the economic downturn. It is the effect of a reduction in funding in 2010-11 of £28 million, brought forward to 2009-10 and £12 million brought forward from 2010-11 into 2008-09. This bringing forward of capital is stated to be to contribute to meeting the One Wales target of 6,500 affordable homes and thus support the construction and supply industries. All £40 million has been allocated to the Tackle Homelessness action (previously the Housing New Provision BEL). A further £16.8 million is due to capital savings as a result of UK fiscal decisions. Thus, accounting for £84.8 million of the £101.7 million reduction.

³³ Welsh Government, [Final Budget 2010-11 Report](#) page 11, 1 December 2009 [6 December 2009]

³⁴ As detailed in section 5.1 of the Members’ Research Service paper [Draft Budget 2009](#) (November 2009) [6 December 2009]

Table 13: Environment, Sustainability and Housing main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limits									
Climate Change and Sustainability	183,523	186,930	186,930	3,407	1.9	644	0.4	0	0.0
Environment	91,744	92,222	92,222	478	0.5	-885	-1.0	0	0.0
Housing	517,610	430,426	430,426	-87,184	-16.8	-93,545	-18.1	0	0.0
Planning	7,641	8,074	8,074	433	5.7	314	4.1	0	0.0
Total DEL - Environment, Sustainability and Housing	800,518	717,652	717,652	-82,866	-10.4	-93,472	-11.7	0	0.0
Annually Managed Expenditure									
Achieve Quality Housing	-72,000	-52,000	-78,000	-6,000	8.3	-4,847	6.7	-26,000	50.0
Total AME - Environment, Sustainability and Housing	-72,000	-52,000	-78,000	-6,000	8.3	-4,847	6.7	-26,000	50.0
Revenue DEL	350,233	369,094	369,094	18,861	5.4	13,406	3.8	0	0.0
Capital DEL	450,285	348,558	348,558	-101,727	-22.6	-106,878	-23.7	0	0.0
Total DEL	800,518	717,652	717,652	-82,866	-10.4	-93,472	-11.7	0	0.0
Annually Managed Expenditure	-72,000	-52,000	-78,000	-6,000	8.3	-4,847	6.7	-26,000	50.0
Total - Environment, Sustainability and Housing	728,518	665,652	639,652	-88,866	-12.2	-98,319	-13.5	-26,000	-3.9

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

9. Rural Affairs

Table 14 provides information on the overall allocations within the Rural Affairs (RA) MEG and shows changes since the draft budget. There have been **no changes** to the RA MEG between the draft and final budgets.

- Rural Affairs DEL has seen an **overall increase of 0.5 per cent** (representing £0.8m) when compared to the 2009-10 figure. This consists of an increase of 1.2 per cent (£1.6m) in revenue and a decrease of 4.6 per cent (£0.8m) in capital.
- In **real** terms, Rural Affairs DEL has seen an **overall decrease of 1.0 per cent** (representing £1.5m). This consists of a decrease of 0.3 per cent (£0.4m) in revenue and a decrease of 6.0 per cent (£1.1m) in capital.
- In comparison with the draft budget proposals for 2010-11, there is **no change** to revenue or capital DEL allocations.
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £2 million (1.5 per cent) and capital savings of £0.8 million (4.6 per cent).³⁵

³⁵ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [4 December 2009].

Table 14: Rural Affairs main expenditure group

Spending Programme Area	2009-10 Supplementary Budget	2010-11 Draft Budget	2010-11 Final Budget	Change 2009-10 to 2010-11	Change 2009-10 to 2010- 11	Real terms change 2009-10 to 2010-11	Real		Change draft to final budget	Change draft to final budget
							change 2009-10 to 2010- 11	change 2009-10 to 2010- 11		
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	
Departmental Expenditure Limit										
Protecting and improving Animal Health and Welfare	23,203	25,153	25,153	1,950	8.4	1,578	6.8	0	0.0	
Rural European Policies	86,506	84,426	84,426	-2,080	-2.4	-3,328	-3.8	0	0.0	
Evidence Base	1,153	1,103	1,103	-50	-4.3	-66	-5.8	0	0.0	
Welsh Food, Fish and Drink Industry	8,518	8,213	8,213	-305	-3.6	-426	-5.0	0	0.0	
Common Agriculture Policy and the Countryside	32,991	34,241	34,241	1,250	3.8	744	2.3	0	0.0	
Total DEL - Rural Affairs	152,371	153,136	153,136	765	0.5	-1,498	-1.0	0	0.0	
Revenue DEL	134,835	136,407	136,407	1,572	1.2	-444	-0.3	0	0.0	
Capital DEL	17,536	16,729	16,729	-807	-4.6	-1,054	-6.0	0	0.0	
Total DEL	152,371	153,136	153,136	765	0.5	-1,498	-1.0	0	0.0	
Annually Managed Expenditure	0	0	0	0	..	0	..	0	..	
Total - Rural Affairs	152,371	153,136	153,136	765	0.5	-1,498	-1.0	0	0.0	

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

10. Heritage

Table 15 provides information on the overall allocations within the Heritage (HER) MEG and shows changes since the draft budget. Since the draft budget proposals there has been an increase in AME.

- Heritage DEL has seen an **overall increase of 0.02 per cent** (representing £30,000) when compared to the 2009-10 figure. This consists of an increase of 1.5 per cent (£2.2m) in revenue and a decrease of 12.6 per cent (£2.2m) in capital.
- In **real terms**, Heritage DEL has seen an **overall decrease of 1.5 per cent** (representing £2.4m). This consists of an increase of 0.02 per cent (£27,000) in revenue and a decrease of 13.9 per cent (£2.4m) in capital.
- There has been an increase of 36 per cent (£7.8 million) in AME.
- In comparison with the draft budget proposals for 2010-11, there has been an increase of £7.8 million (36 per cent) in AME. This is stated to reflect the revised forecast for Museums and Libraries pensions.³⁶
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £2.1 million (1.5 per cent) and capital savings of £0.7 million (4.6 per cent).³⁷

³⁶ Welsh Government, [Final Budget 2010-11 Report](#) page 13, 1 December 2009 [6 December 2009]

³⁷ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [6 December 2009].

Table 15: Heritage main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010- 11	change 2009-10 to 2010-11	terms change 2009-10 to 2010- 11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limit									
Support and sustain a strong arts sector via the Arts Council and others	38,096	37,870	37,870	-226	-0.6	-786	-2.1	0	0.0
Museums, Archives and Libraries	53,967	53,266	53,266	-701	-1.3	-1,488	-2.8	0	0.0
Delivery of effective sports & physical activity programmes	28,022	28,315	28,315	293	1.0	-125	-0.4	0	0.0
Promote wider use of the Welsh Language via the Welsh Language Board and others	17,670	18,074	18,074	404	2.3	137	0.8	0	0.0
Conserve, protect, sustain and promote access to the historic environment	11,774	11,904	11,904	130	1.1	-46	-0.4	0	0.0
Tourism	12,934	13,064	13,064	130	1.0	-63	-0.5	0	0.0
Total DEL - Heritage	162,463	162,493	162,493	30	0.0	-2,371	-1.5	0	0.0
Annually Managed Expenditure									
Museums and Libraries Pensions	21,754	21,754	29,584	7,830	36.0	7,393	34.0	7,830	36.0
Total AME - Heritage	21,754	21,754	29,584	7,830	36.0	7,393	34.0	7,830	36.0
Revenue DEL	145,166	147,371	147,371	2,205	1.5	27	0.0	0	0.0
Capital DEL	17,297	15,122	15,122	-2,175	-12.6	-2,398	-13.9	0	0.0
Total DEL	162,463	162,493	162,493	30	0.0	-2,371	-1.5	0	0.0
Annually Managed Expenditure	21,754	21,754	29,584	7,830	36.0	7,393	34.0	7,830	36.0
Total - Heritage	184,217	184,247	192,077	7,860	4.3	5,021	2.7	7,830	4.2

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

11. Public Services and Performance

Table 16 provides information on the overall allocations within the Public Services and Performance (PSP) MEG and shows changes since the draft budget. There have been **no overall changes** to the PSP MEG between the draft and final budgets. However, there has been a Change between SPAs.

- PSP DEL has seen an **overall decrease of 7.8 per cent** (representing £4.7m) when compared to the 2009-10 figure. This consists of a decrease of 7.8 per cent (£4.6m) in revenue and a decrease of 4.5 per cent (£20,000) in capital.
- In **real terms**, PSP DEL has seen an **overall decrease of 9.2 per cent** (representing £5.5m). This consists of a decrease of 9.2 per cent (£5.4m) in revenue and a decrease of 5.9 per cent (£26,000) in capital.
- There are no AME allocations.
- In comparison with the draft budget proposals for 2010-11, there is **no change** to revenue or capital DEL allocations.
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £0.95 million (1.6 per cent) and capital savings of £20,000 (4.5 per cent).³⁸

Since Draft Budget 2010-11 there has been a transfer of £1.2 million from the Making the Connections SPA to the Local and Regional Collaboration SPA. This is to align the budget for Local Service Boards.³⁹

³⁸ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [6 December 2009]

³⁹ Welsh Government, [Final Budget 2010-11 Report](#) page 14, 1 December 2009 [6 December 2009]

Table 16: Public Services and Performance main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limit									
Care and Social Services Inspectorate	30,867	30,959	30,959	92	0.3	-366	-1.2	0	0.0
Healthcare Inspectorate Wales	2,895	2,963	2,963	68	2.3	24	0.8	0	0.0
Estyn	15,037	14,480	14,480	-557	-3.7	-771	-5.1	0	0.0
Inspection, Regulation and Performance Frameworks	650	650	650	0	0.0	-10	-1.5	0	0.0
Local & Regional Collaboration	480	360	1,560	1,080	225.0	1,057	220.2	1,200	333.3
Making the Connections	8,645	4,521	3,321	-5,324	-61.6	-5,373	-62.2	-1,200	-26.5
Leadership and Management Capacity	1,211	1,196	1,196	-15	-1.2	-33	-2.7	0	0.0
Total DEL - Public Services and Performance	59,785	55,129	55,129	-4,656	-7.8	-5,471	-9.2	0	0.0
Revenue DEL	59,340	54,704	54,704	-4,636	-7.8	-5,444	-9.2	0	0.0
Capital DEL	445	425	425	-20	-4.5	-26	-5.9	0	0.0
Total DEL	59,785	55,129	55,129	-4,656	-7.8	-5,471	-9.2	0	0.0
Annually Managed Expenditure	0	0	0	0	..	0	..	0	..
Total - Public Services and Performance	59,785	55,129	55,129	-4,656	-7.8	-5,471	-9.2	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

12. Central Services and Administration

Table 17 provides information on the overall allocations within the Central Services and Administration (CSA) MEG and shows changes since the draft budget. There have been **no changes** to the CSA MEG between the draft and final budgets.

- CSA DEL has seen an **overall increase of 0.5 per cent** (representing £1.9m) when compared to the 2009-10 figure. This consists of an increase of 1.7 per cent (£5.9m) in revenue and a decrease of 10.0 per cent (£4.0m) in capital.
- In **real terms**, CSA DEL has seen an **overall decrease of 1.0 per cent** (representing £4.0m). This consists of an increase of 0.2 per cent (£0.6m) in revenue and a decrease of 11.3 per cent (£4.5m) in capital.
- There are no AME allocations.
- In comparison with the draft budget proposals for 2010-11, there is **no change** to revenue or capital DEL allocations.
- In comparison to indicative plans for 2010-11 (as detailed in Final Budget 2009-10), there have been revenue savings of £5.5 million (1.5 per cent) and capital savings of £9 million (20 per cent).⁴⁰

⁴⁰ As detailed in section 5.1 of the Members' Research Service paper [Draft Budget 2009](#) (November 2009) [4 December 2009].

Table 17: Central Services and Administration main expenditure group

Spending Programme Area	2009-10	2010-11	2010-11	Change	Change	Real terms	Real	Change	Change
	Supplementary Budget	Draft Budget	Final Budget	2009-10 to 2010-11	2009-10 to 2010-11	change 2009-10 to 2010-11	terms change 2009-10 to 2010-11	draft to final budget	draft to final budget
	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent
Departmental Expenditure Limit									
Staff Costs and Salaries	241,561	245,738	245,738	4,177	1.7	545	0.2	0	0.0
Other Central Administration Costs	107,513	106,707	106,707	-806	-0.7	-2,383	-2.2	0	0.0
Ministerial Services	11,236	13,753	13,753	2,517	22.4	2,314	20.6	0	0.0
Match Funding	35,000	31,000	31,000	-4,000	-11.4	-4,458	-12.7	0	0.0
Total DEL - Central Services and Administration	395,310	397,198	397,198	1,888	0.5	-3,982	-1.0	0	0.0
Revenue DEL	355,277	361,165	361,165	5,888	1.7	551	0.2	0	0.0
Capital DEL	40,033	36,033	36,033	-4,000	-10.0	-4,533	-11.3	0	0.0
Total DEL	395,310	397,198	397,198	1,888	0.5	-3,982	-1.0	0	0.0
Annually Managed Expenditure	0	0	0	0	..	0	..	0	..
Total - Central Services and Administration	395,310	397,198	397,198	1,888	0.5	-3,982	-1.0	0	0.0

Source: Members' Research Service calculations from Welsh Government budgets.

Real terms figures are calculated using the GDP deflator to account for inflation, forecast by HM Treasury to be 1.5 per cent for 2010-11

