

**National Assembly for Wales**  
Research paper

# Supplementary Budget 2013-14 (June 2013)

July 2013

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**National Assembly for Wales**  
Research paper

**Supplementary Budget 2013-14**  
**(June 2013)**

July 2013

Dr Eleanor Roy

The Welsh Government's Supplementary Budget 2013-14 was laid before the National Assembly for Wales on 25 June 2013. It aligns the 2013-14 budget structures with the change to the Ministerial portfolios announced in March 2013. It also notes a number of transfers with the UK Government and proposes allocations from reserves, as well as movements between and within portfolios.

This paper is intended to inform scrutiny of the supplementary budget. It provides details of the overall changes to the Welsh block and allocations to Welsh Government portfolios in comparison to the restated Final Budget 2013-14. It also details changes as a result of the alignment of the budget structures to the Ministerial portfolio changes announced in March 2013.

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## Summary

The Supplementary Budget 2013-14 published on 25 June 2013 amends the Final Budget 2013-14, which was approved by the National Assembly in December 2012.

This supplementary budget fulfils three main purposes:

- aligns the budget structures in line with changes to Ministerial portfolios announced in March 2013;
- makes allocations from reserves, proposed since the Final Budget motion was passed; and
- adjusts the baselines to account for transfers with the UK Government.

**The supplementary budget motion requests the Assembly to authorise an additional £247.4 million cash to be drawn from the Welsh Consolidated Fund by the Welsh Ministers in the 2013-14 financial year.**

In comparison to the restated Final Budget 2013-14 figures:

- Overall TME is increased by 2.6 per cent, or £396.4 million.
- TME allocated to Welsh Government departments is increased by 2.4 per cent, or £362 million.
- Overall DEL is increased by 2.4 per cent, or £356.8 million.
- DEL allocated to Welsh Government departments is increased by 2.2 per cent, or £322.4 million.
- Revenue DEL allocated to Welsh Government departments is increased by 1.8 per cent, or £246.2 million.
- Capital DEL allocated to Welsh Government departments is increased by 6.6 per cent or £76.2 million.
- AME is increased by 14.3 per cent, or £39.6 million.



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## 1. First Supplementary Budget 2013-14

The Minister for Finance (Jane Hutt AM) laid the first Supplementary Budget Motion 2013-14<sup>1</sup> on 25 June 2013. This was accompanied by an explanatory note<sup>2</sup> and tables showing the main expenditure group (MEG)<sup>3</sup> allocations.<sup>4</sup> This supplementary budget amends the Final Budget 2013-14,<sup>5</sup> approved by the National Assembly in December 2012. In her statement the Minister set out the main purpose of this budget:

...to align the 2013-14 budget structures with the changes to the Ministerial portfolios and responsibilities announced by the Welsh Government in March, and to reflect the budgetary changes since the Final Budget 2013-14 published by the Welsh Government in November. It also sets out a number of allocations from our reserves, transfers between Welsh Government Departments, transfers with UK Government Departments and includes revised Annually Managed Expenditure forecasts.<sup>6</sup>

**The supplementary budget motion requests the Assembly to authorise an additional £247.4 million cash to be drawn from the Welsh Consolidated Fund by the Welsh Ministers in the 2013-14 financial year.<sup>7</sup>**

The figures shown within this paper are concerned only with in-year changes for the current financial year, and therefore are shown in **cash terms**; no adjustments have been made for inflation.

Further information on the supplementary budget process can be found in the Research Service Quick Guide Budget Series which can be found on the Research publications [Quick Guides](#) section.

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<sup>1</sup> Welsh Government, [Supplementary Budget Motion 2013-14](#), 25 June 2013 [accessed 2 July 2013]

<sup>2</sup> Welsh Government, [Supplementary Budget 2013-14 Explanatory Note](#), 25 June 2013 [accessed 2 July 2013]

<sup>3</sup> **Main expenditure group (MEG)** - the Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Main expenditure groups (MEG) are at the highest level of this detail and correspond to Ministerial portfolios or ambits. Below MEG level, expenditure is identified by **spending programme areas (SPAs)** and, within these, **actions**.

<sup>4</sup> Welsh Government, [Supplementary Budget 2013-14 Expenditure Allocation Tables](#), 25 June 2013 [accessed 2 July 2013]

<sup>5</sup> Welsh Government, [Final Budget 2013-14](#), November 2012 [accessed 25 June 2013]

<sup>6</sup> Welsh Government, Minister for Finance (Jane Hutt), [The First Supplementary Budget 2013-14](#), Written Cabinet Statement, 25 June 2013 [accessed 2 July 2013]

<sup>7</sup> Welsh Government, [Supplementary Budget Motion 2013-14](#), 25 June 2013 (Schedule 5 Table 2). Note that the figures presented in the motion are on a resource basis, whereas the figures presented in the MEG tables, explanatory note and this briefing are on an administrative basis. Therefore, this £247.4 million figures does not match the figures presented throughout this paper, or in the published explanatory note or allocation tables. The administrative budget includes items which score outside government accounts, and so are not included in the resources required by the Welsh Government. [accessed 2 July 2013]

## 1.1. Restructuring of the budget

The supplementary budget aligns the budget structures to the changes in Ministerial portfolios announced in March 2013.<sup>8</sup> This has involved some movements at all levels of the budget to form the new portfolio structures, which are as follows:

- Health and Social Services (HSS)
- Local Government (LG)
- Communities and Tackling Poverty (CTP)
- Economy, Science and Transport (EST)
- Education and Skills (ES)
- Natural Resources and Food (NRF)
- Housing and Regeneration (HR)
- Culture and Sport (CS)
- Central Services and Administration (CSA)

The explanatory note accompanying the supplementary budget gives further details of the nature of these changes, and provides an annex showing the specific movements as compared with the 2013-14 Final Budget, thus providing a restated 2013-14 baseline, and restated indicative figures for 2014-15.<sup>9</sup> In most cases the changes involve the movement of entire spending programme areas (SPAs)<sup>10</sup> or actions<sup>11</sup> between portfolios, although in some cases actions have been split.

It should be noted that these changes are **purely structural in nature, and merely re-align the budget structures to changes in Ministerial responsibilities**. All the tables in this paper show the original 2013-14 and 2014-15 figures as at Final Budget 2013-14, the structural changes to re-align the budget structures and restated indicative figures for 2014-15. Changes made in this supplementary budget are shown in comparison to the restated Final Budget 2013-14 figures. Further information on the changes within each portfolio are detailed in sections 5 to 13 of this paper.

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<sup>8</sup> Welsh Government, Carwyn Jones (First Minister), [Cabinet Reshuffle](#), Cabinet Written Statement, 14 March 2013 [accessed 2 July 2013]

<sup>9</sup> Welsh Government, [Supplementary Budget 2013-14 Explanatory Note](#), 25 June 2013 [accessed 2 July 2013]

<sup>10</sup> **Spending programme area (SPA)** - The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Spending programme areas (SPAs) are the second level of detail below main expenditure groups (MEG) and define discrete groups of allocations according to the type of services to be delivered.

<sup>11</sup> **Action** - The Welsh Government's budget is split into several categories for monitoring and control purposes. Actions are the most detailed category in the published budget documents and indicate allocations to policy or initiative areas. They do not necessarily correspond to specific policies or programmes. Actions sit within spending programme areas.

## 2. Headline figures

This section provides details of the headline changes actioned in this supplementary budget. Further details of changes within each MEG at SPA level can be found in sections 5 to 13 of this paper.

### 2.1. *Total managed expenditure (TME)*

**Table 1** provides an overview of changes to total managed expenditure (TME)<sup>12</sup> allocations. From this it can be seen that, in comparison with restated Final Budget 2013-14 figures:

- Overall TME in the Welsh block is increased by 2.6 per cent, or £396.4 million.
- TME allocated to Welsh Government departments is increased by 2.4 per cent, or £362 million.
- The largest increase in TME, in cash terms, is seen in the Local Government MEG, with an increase of £299.4 million, or 6.7 per cent.
- The greatest percentage increases in TME are in the Local Government and Housing and Regeneration portfolios, both with a 6.7 per cent increase.
- The greatest reduction in TME, in cash terms, is in the Education and Skills MEG, with a decrease of £8.6 million, or 0.4 per cent.
- The greatest reduction in TME in percentage terms is in the Central Services and Administration MEG, with a decrease of 0.9 per cent, or £3.2 million.

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<sup>12</sup> **Total managed expenditure (TME)** - the combined total of the two budget elements annually managed expenditure (AME) and departmental expenditure limits (DEL).

**Table 1: Changes to total managed expenditure (TME)**

Main Expenditure Group	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Restated	2013- 14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Restated
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
Health and Social Services	6,429,870	-129,678	6,300,192	6,319,093	18,901	0.3	6,552,518	-131,678	6,420,840
Local Government	5,204,242	-743,991	4,460,251	4,759,684	299,433	6.7	5,258,111	-771,460	4,486,651
Communities and Tackling Poverty	0	199,313	199,313	212,006	12,693	6.4	0	199,958	199,958
Economy, Science and Transport	315,344	584,466	899,810	900,527	717	0.1	325,253	614,835	940,088
Education and Skills	2,047,802	-1,500	2,046,302	2,037,661	-8,641	-0.4	2,038,617	-145	2,038,472
Natural Resources and Food	326,766	71,432	398,198	413,902	15,704	3.9	328,123	68,532	396,655
Housing and Regeneration	488,226	-118,168	370,058	394,930	24,872	6.7	490,477	-118,214	372,263
Culture and Sport	0	140,949	140,949	142,462	1,513	1.1	0	140,995	140,995
Central Services and Administration	350,243	-2,823	347,420	344,223	-3,197	-0.9	353,257	-2,823	350,434
<b>Total Welsh Government TME Allocations</b>	<b>15,162,493</b>	<b>0</b>	<b>15,162,493</b>	<b>15,524,488</b>	<b>361,995</b>	<b>2.4</b>	<b>15,346,356</b>	<b>0</b>	<b>15,346,356</b>
Revenue Reserves	209,407	0	209,407	164,491	-44,916	-21.4	220,025	0	220,025
Capital Reserves	869	0	869	80,160	79,291	9,124.4	42,358	0	42,358
Assembly Commission	49,950	0	49,950	49,950	0	0.0	50,598	0	50,598
Auditor General for Wales	5,244	0	5,244	5,244	0	0.0	5,020	0	5,020
Public Services Ombudsman for Wales	3,942	0	3,942	3,942	0	0.0	4,204	0	4,204
Direct Charges	645	0	645	645	0	0.0	645	0	645
<b>Total Wales TME</b>	<b>15,432,550</b>	<b>0</b>	<b>15,432,550</b>	<b>15,828,920</b>	<b>396,370</b>	<b>2.6</b>	<b>15,669,206</b>	<b>0</b>	<b>15,669,206</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 2.2. Departmental expenditure limits (DEL)

**Table 2** provides an overview of changes to total departmental expenditure limit (DEL)<sup>13</sup> allocations (revenue plus capital).

**Figure 1** shows the change in total DEL allocated to each MEG in comparison with the restated Final Budget 2013-14, whilst **figure 2** shows the percentage of additional DEL allocated to each MEG in this supplementary budget.

In comparison to the restated Final Budget 2013-14 figures:

- Overall DEL is increased by 2.4 per cent, or £356.8 million. This increase is due to transfers with the UK Government.
- DEL allocated to Welsh Government departments is increased by 2.2 per cent, or £322.4 million. This is due to allocations from reserves.
- The largest increase in total DEL, both in cash and percentage terms is seen in the Local Government MEG, with an increase of £302.1 million, or 6.8 per cent.
- The greatest reduction in total DEL, in cash terms, is in the Health and Social Services MEG, with a decrease of £23.4 million, or 0.4 per cent.
- The greatest reduction in total DEL, in percentage terms, is in the Central Services and Administration MEG, with a decrease of 0.9 per cent, or £3.1 million.

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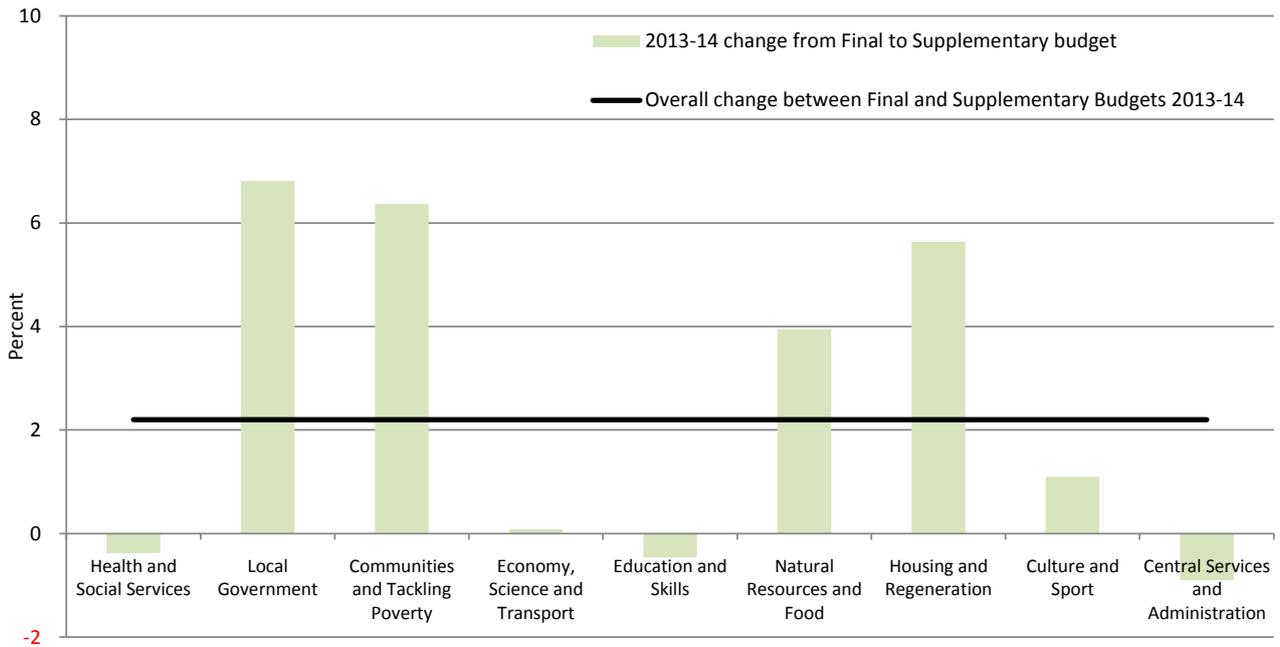
<sup>13</sup> **Departmental expenditure limit (DEL)** - normally set over three or four years as part of the UK Government's Spending Review process, this is the multi-year budget limit for the Welsh Government. Most of the DEL is unhypothecated (the assigned budget, or block grant) and allows the Welsh Government full discretion over its spending priorities. Changes in provision for such spend are determined by the Barnett formula.

**Table 2: Changes to total DEL**

Main Expenditure Group	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Restated	2013- 14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Restated
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
Health and Social Services	6,335,296	-129,678	6,205,618	6,182,203	-23,415	-0.4	6,339,090	-131,678	6,207,412
Local Government	5,151,836	-716,073	4,435,763	4,737,828	302,065	6.8	5,204,677	-742,514	4,462,163
Communities and Tackling Poverty Economy, Science and Transport	0	199,313	199,313	212,006	12,693	6.4	0	199,958	199,958
Education and Skills	295,344	556,548	851,892	852,609	717	0.1	305,253	585,889	891,142
Natural Resources and Food	1,870,933	-1,500	1,869,433	1,860,792	-8,641	-0.5	1,855,468	-145	1,855,323
Housing and Regeneration	326,766	71,432	398,198	413,902	15,704	3.9	328,123	68,532	396,655
Culture and Sport	556,486	-115,428	441,058	465,930	24,872	5.6	558,737	-115,474	443,263
Central Services and Administration	0	138,209	138,209	139,722	1,513	1.1	0	138,255	138,255
	348,609	-2,823	345,786	342,672	-3,114	-0.9	351,105	-2,823	348,282
<b>Total Welsh Government DEL Allocations</b>	<b>14,885,270</b>	<b>0</b>	<b>14,885,270</b>	<b>15,207,664</b>	<b>322,394</b>	<b>2.2</b>	<b>14,942,453</b>	<b>0</b>	<b>14,942,453</b>
Revenue Reserves	209,407	0	209,407	164,491	-44,916	-21.4	220,025	0	220,025
Capital Reserves	869	0	869	80,160	79,291	9,124.4	41,858	0	41,858
Assembly Commission	49,450	0	49,450	49,450	0	0.0	50,598	0	50,598
Auditor General for Wales	5,244	0	5,244	5,244	0	0.0	5,244	0	5,244
Public Services Ombudsman for Wales	4,144	0	4,144	4,144	0	0.0	4,204	0	4,204
Direct Charges	645	0	645	645	0	0.0	645	0	645
<b>Total Wales DEL</b>	<b>15,155,029</b>	<b>0</b>	<b>15,155,029</b>	<b>15,511,798</b>	<b>356,769</b>	<b>2.4</b>	<b>15,265,027</b>	<b>0</b>	<b>15,265,027</b>

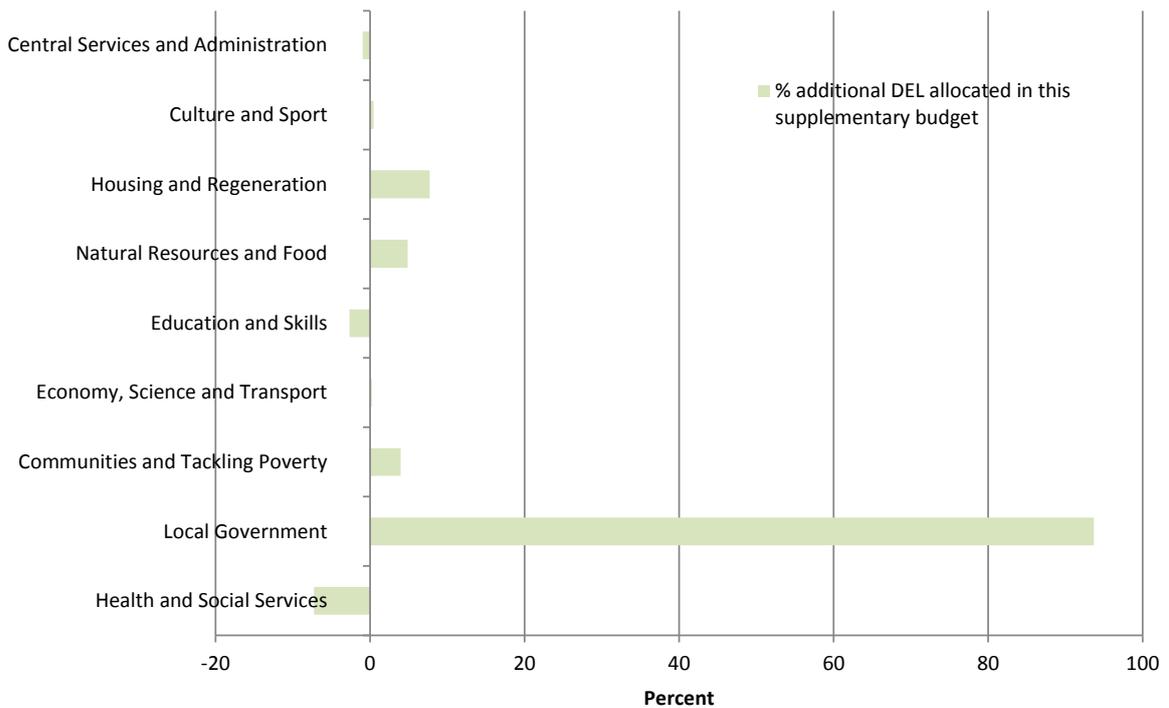
Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials

**Figure 1: Per cent change in total DEL**



Source: Research Service calculations from Welsh Government Budgets.

**Figure 2: Percentage of additional DEL allocated to each MEG, in comparison to Final Budget 2012-13**



Source: Research Service calculations from Welsh Government, Supplementary Budget 2013-14.

### 2.2.1. Revenue DEL

**Table 3** shows changes in revenue DEL allocations. **Figure 3** shows the change in revenue DEL allocated to each MEG in comparison with the restated Final Budget 2013-14, whilst **figure 4** shows the percentage of additional revenue DEL allocated to each MEG in this supplementary budget. From these it can be seen that, in comparison to the restated Final Budget 2013-14 figures:

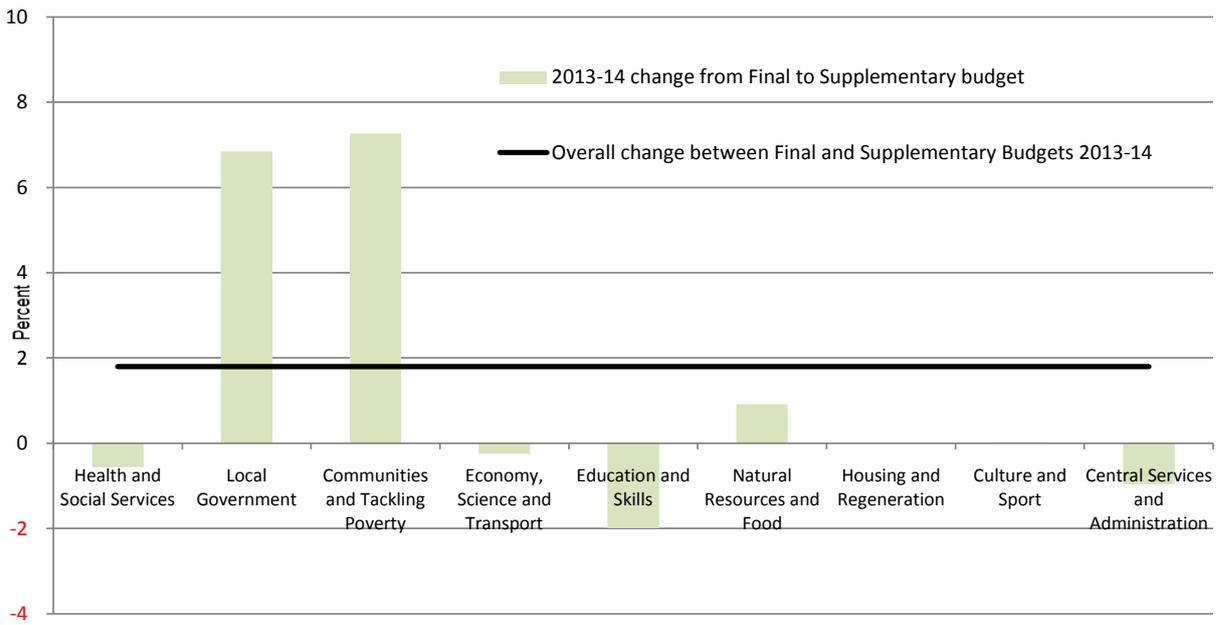
- Revenue DEL in the Welsh block is increased by 1.4 per cent, or £201.3 million. This increase is due to transfers with the UK Government.
- Revenue DEL allocated to Welsh Government departments is increased by 1.8 per cent, or £246.2 million. The UK Government transfers are supplemented by net allocations of £44.9 million from revenue reserves.
- The largest cash increase in revenue DEL is seen in the Local Government MEG, with an increase of £302.1 million, or 6.8 per cent.
- The largest percentage increase in revenue DEL is seen in the Economy, Science and Transport MEG, with an increase of 7.3 per cent, or £12.7 million.
- The greatest reduction in revenue DEL, in both cash and percentage terms, is in the Education and Skills MEG, £33.6 million, or 2.0 per cent.

**Table 3: Changes to revenue DEL**

Main Expenditure Group	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Restated	2013- 14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Restated
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
Health and Social Services	6,091,746	-117,678	5,974,068	5,940,553	-33,515	-0.6	6,095,540	-127,678	5,967,862
Local Government	4,899,317	-486,474	4,412,843	4,714,908	302,065	6.8	4,926,458	-487,215	4,439,243
Communities and Tackling Poverty	0	174,863	174,863	187,556	12,693	7.3	0	183,508	183,508
Economy, Science and Transport	184,274	352,322	536,596	535,288	-1,308	-0.2	186,883	353,263	540,146
Education and Skills	1,693,799	-1,500	1,692,299	1,658,658	-33,641	-2.0	1,701,634	-145	1,701,489
Natural Resources and Food	264,455	59,859	324,314	327,278	2,964	0.9	265,856	59,659	325,515
Housing and Regeneration	281,422	-105,534	175,888	175,905	17	0.0	281,473	-105,580	175,893
Culture and Sport	0	125,465	125,465	125,498	33	0.0	0	125,511	125,511
Central Services and Administration	323,296	-1,323	321,973	318,859	-3,114	-1.0	325,792	-1,323	324,469
<b>Total Welsh Government Revenue DEL Allocations</b>	<b>13,738,309</b>	<b>0</b>	<b>13,738,309</b>	<b>13,984,503</b>	<b>246,194</b>	<b>1.8</b>	<b>13,783,636</b>	<b>0</b>	<b>13,783,636</b>
Revenue Reserves	209,407	0	209,407	164,491	-44,916	-21.4	220,025	0	220,025
Capital Reserves	0	0	0	0	0	0.0	0	0	0
Assembly Commission	48,700	0	48,700	48,700	0	0.0	49,598	0	49,598
Auditor General for Wales	5,224	0	5,224	5,224	0	0.0	5,244	0	5,244
Public Services Ombudsman for Wales	4,131	0	4,131	4,131	0	0.0	4,191	0	4,191
Direct Charges	645	0	645	645	0	0.0	645	0	645
<b>Total Wales Revenue DEL</b>	<b>14,006,416</b>	<b>0</b>	<b>14,006,416</b>	<b>14,207,694</b>	<b>201,278</b>	<b>1.4</b>	<b>14,063,339</b>	<b>0</b>	<b>14,063,339</b>

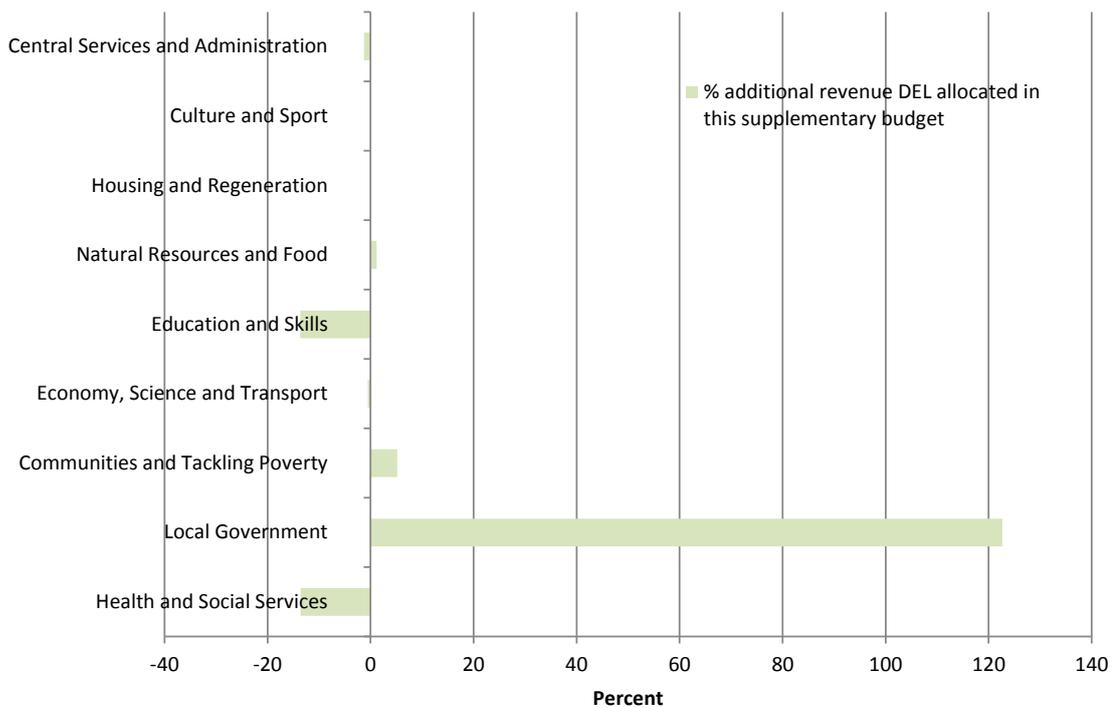
Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

**Figure 3: Per cent change in revenue DEL**



Source: Research Service calculations from Welsh Government Budgets.

**Figure 4: Percentage of additional revenue DEL allocated in this supplementary budget**



Source: Research Service calculations from Welsh Government Budgets.

### 2.2.2. Capital DEL

**Table 4** shows changes in capital DEL allocations. **Figure 5** shows the change in capital DEL allocated to each MEG in comparison with the restated Final Budget 2013-14, whilst **figure 6** shows the percentage of additional capital DEL allocated to each MEG in this supplementary budget. From these it can be seen that, in comparison to the restated Final Budget 2013-14 figures:

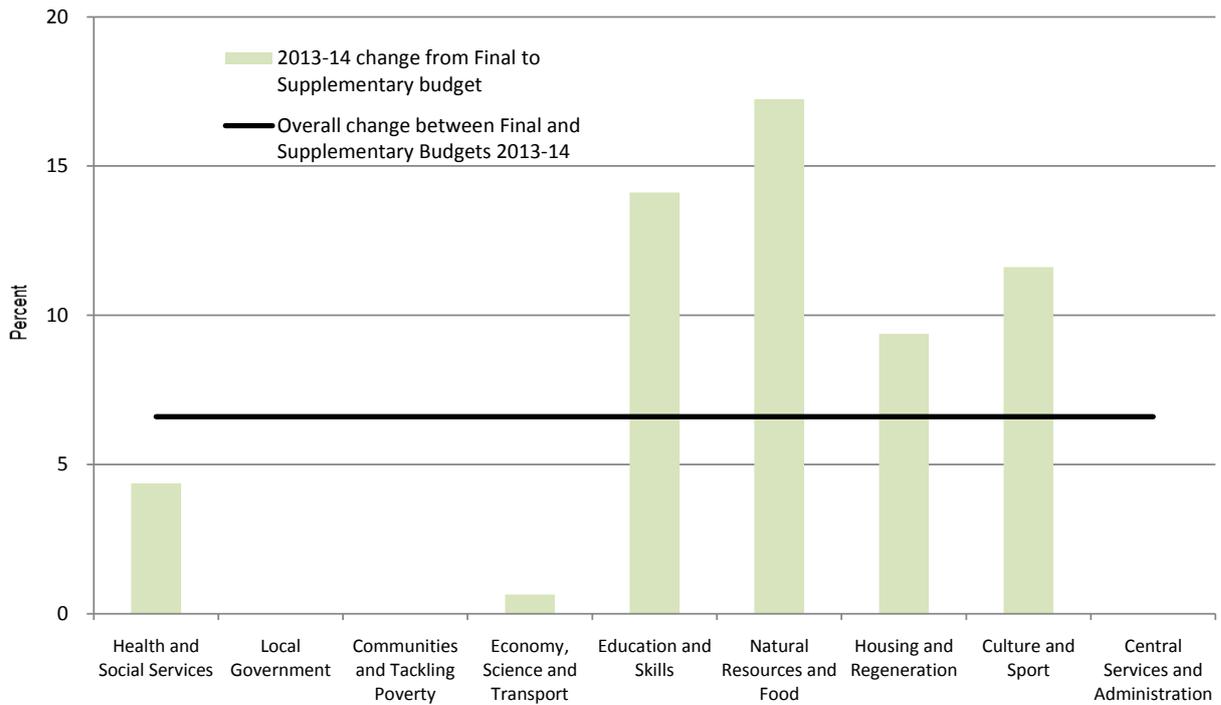
- Capital DEL in the Welsh block is increased by 13.5 per cent, or £155.5 million. This increase is due to transfers with the UK Government.
- Capital DEL allocated to Welsh Government departments is increased by 6.6 per cent, or £76.2 million. This is due to allocations from capital reserves.
- The largest cash increase in capital DEL is seen in the Education and Skills MEG, with an increase of £25 million, or 14.1 per cent.
- The largest percentage increase in capital DEL is seen in the Natural resources and Food MEG, with an increase of 17.2 per cent, or £12.7 million.
- There are no reductions in capital DEL.

**Table 4: Changes to capital DEL**

Main Expenditure Group	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Restated	2013- 14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Restated
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
Health and Social Services	243,550	-12,000	231,550	241,650	10,100	4.4	243,550	-4,000	239,550
Local Government	252,519	-229,599	22,920	22,920	0	0.0	278,219	-255,299	22,920
Communities and Tackling Poverty	0	24,450	24,450	24,450	0	0.0	0	16,450	16,450
Economy, Science and Transport	111,070	204,226	315,296	317,321	2,025	0.6	118,370	232,626	350,996
Education and Skills	177,134	0	177,134	202,134	25,000	14.1	153,834	0	153,834
Natural Resources and Food	62,311	11,573	73,884	86,624	12,740	17.2	62,267	8,873	71,140
Housing and Regeneration	275,064	-9,894	265,170	290,025	24,855	9.4	277,264	-9,894	267,370
Culture and Sport	0	12,744	12,744	14,224	1,480	11.6	0	12,744	12,744
Central Services and Administration	25,313	-1,500	23,813	23,813	0	0.0	25,313	-1,500	23,813
<b>Total Welsh Government Capital DEL Allocations</b>	<b>1,146,961</b>	<b>0</b>	<b>1,146,961</b>	<b>1,223,161</b>	<b>76,200</b>	<b>6.6</b>	<b>1,158,817</b>	<b>0</b>	<b>1,158,817</b>
Revenue Reserves	0	0	0	0	0	0.0	0	0	0
Capital Reserves	869	0	869	80,160	79,291	9,124.4	41,858	0	41,858
Assembly Commission	750	0	750	750	0	0.0	1,000	0	1,000
Auditor General for Wales	20	0	20	20	0	0.0	0	0	0
Public Services Ombudsman for Wales	13	0	13	13	0	0.0	13	0	13
Direct Charges	0	0	0	0	0	0.0	0	0	0
<b>Total Wales Capital DEL</b>	<b>1,148,613</b>	<b>0</b>	<b>1,148,613</b>	<b>1,304,104</b>	<b>155,491</b>	<b>13.5</b>	<b>1,201,688</b>	<b>0</b>	<b>1,201,688</b>

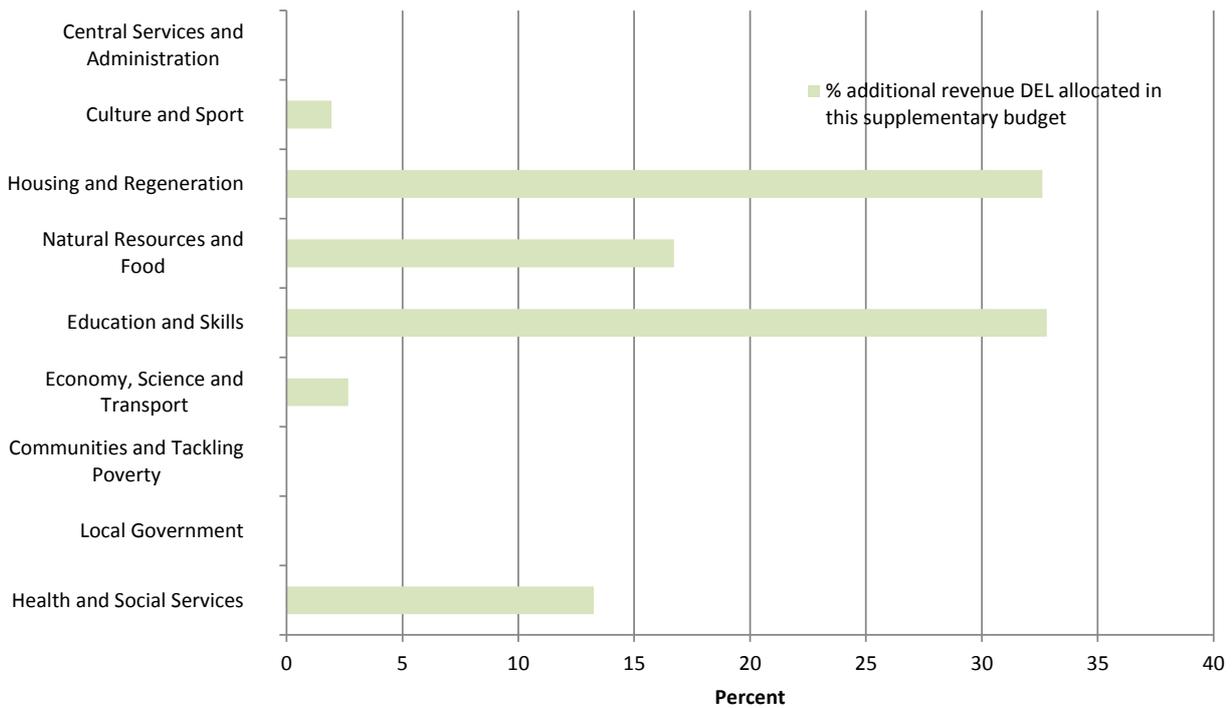
Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

**Figure 5: Per cent change in capital DEL**



Source: Research Service calculations from Welsh Government Budgets.

**Figure 6: Percentage of additional capital DEL allocated in this supplementary budget**



Source: Research Service calculations from Welsh Government Budgets.

### 2.3. *Annually managed expenditure (AME)*

**Table 5** provides an overview of changes to annually managed expenditure (AME)<sup>14</sup> allocations. From these it can be seen that, in comparison to the restated Final Budget 2013-14 figures:

- AME is increased by 14.3 per cent, or £39.6 million. This is mainly due to revised forecasts.
- The only increase in AME is seen in the Health and Social Services MEG, £42.3 million, or 44.7 per cent. This is due to revised forecasts in respect of provisions and impairments in the NHS.
- The greatest reduction in AME, in both cash and percentage terms, is seen in the Local Government MEG, £2.6 million, or 10.7 per cent. This reflects the latest forecasts in respect of Fire Service pensions.

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<sup>14</sup> **Annually managed expenditure (AME)** - expenditure in AME is less predictable than that in departmental expenditure limits (DEL). It covers spend which is generally demand-led and therefore provision cannot reasonably be subject to multi-year limits, (for example, the issue of student loans). This is reviewed and set twice a year by HM Treasury. AME can only be allocated to the purpose for which it is assigned; therefore the Welsh Government has no discretion over its allocation. Further AME can be drawn from HM Treasury if required, while any unspent AME must be returned.

**Table 5: Changes to annually managed expenditure (AME)**

Main Expenditure Group	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Restated	2013- 14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Restated
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
Health and Social Services	94,574	0	94,574	136,890	42,316	44.7	213,428	0	213,428
Local Government	52,406	-27,918	24,488	21,856	-2,632	-10.7	53,434	-28,946	24,488
Communities and Tackling Poverty	0	0	0	0	0	0.0	0	0	0
Economy, Science and Transport	20,000	27,918	47,918	47,918	0	0.0	20,000	28,946	48,946
Education and Skills	176,869	0	176,869	176,869	0	0.0	183,149	0	183,149
Natural Resources and Food	0	0	0	0	0	0.0	0	0	0
Housing and Regeneration	-68,260	-2,740	-71,000	-71,000	0	0.0	-68,260	-2,740	-71,000
Culture and Sport	0	2,740	2,740	2,740	0	0.0	0	2,740	2,740
Central Services and Administration	1,634	0	1,634	1,551	-83	-5.1	2,152	0	2,152
<b>Total Welsh Government AME Allocations</b>	<b>277,223</b>	<b>0</b>	<b>277,223</b>	<b>316,824</b>	<b>39,601</b>	<b>14.3</b>	<b>403,903</b>	<b>0</b>	<b>403,903</b>
Revenue Reserves	0	0	0	0	0	0.0	0	0	0
Capital Reserves	0	0	0	0	0	0.0	0	0	0
Assembly Commission	500	0	500	500	0	0.0	500	0	500
Auditor General for Wales	0	0	0	0	0	0.0	0	0	0
Public Services Ombudsman for Wales	-202	0	-202	-202	0	0.0	-224	0	-224
Direct Charges	0	0	0	0	0	0.0	0	0	0
<b>Total Wales Capital AME</b>	<b>277,521</b>	<b>0</b>	<b>277,521</b>	<b>317,122</b>	<b>39,601</b>	<b>14.3</b>	<b>404,179</b>	<b>0</b>	<b>404,179</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

### 3. Baseline changes and movements on reserves

There have been a number of adjustments made to revenue and capital DEL baselines in this supplementary budget, mainly as a result of transfers with the UK Government. In order to demonstrate the impact of such transfers, these are shown as being made via the reserves. All movements on fiscal revenue<sup>15</sup>, non-fiscal revenue<sup>16</sup> and capital reserves are shown in [table 6](#).

**Table 6: Movement on Reserves**

Revenue Reserve	Fiscal £000	Non fiscal £000	Capital Reserve	£000
<b>Reserve at Final Budget 2013-14</b>	<b>138,630</b>	<b>70,777</b>	<b>Reserve at Final Budget 2013-14</b>	<b>869</b>
<b>Transfers with UK Government</b>		<b>Transfers with UK Government</b>		
Contributions to Fire Fighter Pension Schemes <sup>1</sup>	0		Consequentials of AS2012	86,976
Consequentials of AS2012	-6,389		Consequentials of Budget 2013	432
Consequentials of Budget 2013	-24,855		Consequentials of AS2012 (financial transactions)	5,299
Repayment of Grant-In-Aid for Countryside Council Wales	-1,232		Consequentials of Budget 2013 (financial transactions)	62,784
Transfer to DoH re National Institute for Biological Standards and Control	-609			
Devolution of council tax	222,000			
Abolition of Discretionary Social Fund	12,363			
<b>Allocations from Reserves</b>		<b>Allocations from Reserves</b>		
LG: Council tax support	-19,000		WIIP: HSS Health Technologies Fund	-10,000
LG: Devolution of council tax	-222,000		WIIP: EST: Ebbw Vale railway	-1,200
CTP: Abolition of Discretionary Social Fund	-12,363		WIIP: ES: 21st Century Schools	-25,000
			WIIP: NRF: North Wales flood schemes	-10,000
			WIIP: HR: Social Housing Grant	-20,000
			WIIP: HR: Houses Into Homes	-10,000
<b>Allocations to Reserves</b>		<b>Allocations to Reserves</b>		
ES: Transition Fund resource for Adapt	5,000			
HSS: transfer to DoH re National Institute for Biological Standards and Control	609			
NRF: Repayment of Grant-In-Aid for Countryside Council Wales	1,232			
LG: Contributions to Fire Fighter Pension Schemes <sup>1</sup>	328			
<b>Reserve remaining</b>	<b>93,714</b>	<b>70,777</b>	<b>Reserve remaining</b>	<b>80,160</b>

Source: Research Service calculations from Welsh Government Supplementary Budget 2013-14

1. At the time of the Final Budget 2013-14, revenue reserves were restated to reflect a reduction of £328,000 in the revenue baseline. This was due to a corresponding increase in the AME budget in relation to Fire fighters pensions. It was stated at the time that this would be refunded to the revenue reserve from the Local Government portfolio. This is actioned in this supplementary budget. Thus the transfer goes from the Local Government MEG into revenue reserve, but there is no corresponding reduction from reserve due to the previous baseline adjustment.

<sup>15</sup> **Fiscal revenue DEL** – also referred to as near cash, is a control total used by HM Treasury, this is an accruals measure of transactions which would be expected to turn into cash flow soon. It takes account of differences between resources used and cash flows at the start and end of the financial year. For example, expenditure on gas/electricity is incurred as the fuel is used, although the actual cash payment might be made in arrears on a quarterly basis. Other examples include pay, procurement, revenue grants and subsidies. Excludes non-fiscal (non-cash) costs.

<sup>16</sup> **Non-fiscal revenue DEL** - also referred to as non-cash, this is a control total used by HM Treasury, it is an accruals measure used in budgets to ensure they reflect the full economic cost of activities even though there is no direct link to cash flows during the relevant period. Examples of non-cash costs include depreciation, provisions and cost of capital. Such payments will either never give rise to an actual cash cost (e.g. cost of capital), or will only give rise to cash payments years into the future (e.g. provisions). Non cash cannot be used to fund fiscal (or near cash) spending.

This shows that the total movement on reserves in this budget is as follows:

- Revenue reserves have reduced by £44.9 million; this is due to an increase of £210.3 million due to transfers with the UK Government, offset by £246.2 million in allocations from reserves.
- Capital reserves have increased by £79.2 million; this is due to an increase of £155.5 million, offset by £76.2 million in allocations from reserves.

The total level of reserves remaining for the remainder of the 2013-14 financial year following the changes proposed in this supplementary budget are:

- £164.5 million revenue reserve - £93.7 million fiscal and £70.8 million non-fiscal; and
- £80.2 million capital reserve.

### *3.1. Transfers with UK Government*

As can be seen from [table 6](#), there have been a number of transfers with the UK Government, including:

- £12.4 million revenue DEL has been received from the UK Government as a result of the abolition of the Discretionary Social Fund. This has been allocated to the Communities and Tackling Poverty portfolio.
- £222 million revenue DEL has been received from the UK Government as a result of the devolution of council tax. This has been allocated to the Local Government portfolio.
- £0.3 million revenue DEL from the Local Government portfolio to the UK Government to fund increased levels of pension contributions for Fire Fighter pension schemes.<sup>17</sup>
- £1.2 million revenue DEL from the Natural Resources and Food portfolio to HM Treasury as repayment of grant-in-aid received by the former Countryside Council for Wales.
- £0.6 million revenue DEL from the Health and Social Services portfolio to the UK Department for Health to contribute to funding the National Institute for Biological Standards and Control.

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<sup>17</sup> At the time of the Final Budget 2013-14, revenue reserves were restated to reflect a reduction of £328,000 in the revenue baseline. This was due to a corresponding increase in the AME budget in relation to Fire fighters pensions. It was stated at the time that this would be refunded to the revenue reserve from the Local Government portfolio. This is actioned in this supplementary budget. Thus, the transfer goes from the Local Government MEG into revenue reserve, but there is no corresponding reduction from reserve due to the previous baseline adjustment.

- There have been consequentials as a result of the UK Government's Autumn Statement 2012 and Budget 2013, resulting in a reduction to revenue DEL of £31.2 million, and an increase to capital DEL of £155.5 million (of which £68.1 million is restricted for use in financial transactions<sup>18</sup>).

Therefore, there has been an overall increase of £356.8 million as a result of transfers with the UK Government (£201.3 million revenue DEL and £155.5 million capital DEL). Together with the increase of £39.6 million in AME due to revised forecasts, this gives the £396.4 million increase in TME to the Welsh block.

### *3.2. Wales Infrastructure Investment Plan allocations*

As can be seen from [table 6](#), there have been a number of allocations to Wales Infrastructure Investment Plan (WIIP) projects from the capital reserve in this supplementary budget, totalling £76.2 million. These allocations are in line with the Minister's statement on capital allocations earlier this year.<sup>19</sup> In addition to the projects mentioned in this statement, there is also an allocation of £10 million in relation to the Health Technologies Fund. Further details of WIIP allocations to the relevant portfolios can be found in sections 5 to 13 of this paper.

### *3.3. Budget Exchange System*

At the time of the second Supplementary Budget 2012-13 the Minister stated her intention to carry forward into 2013-14:

- £59 million revenue DEL (£40 million was allocated to Apprenticeships in Final Budget 2013-14, and £19 million allocated via this supplementary budget in support of council tax: and
- £50 million capital DEL in support of the WIIP.

The current supplementary budget informs that since this time, the Welsh Government have purchased the shareholding of Cardiff International Airport Limited, at £51.8 million, which utilised the remaining £50 million capital reserves for 2012-13. The Welsh Ministers authorised the use of these additional resources in 2012-13 under [Section 128](#) of the *Government of Wales Act 2006*, which deals

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<sup>18</sup> In her letter to the Finance Committee dated 25 June 2013, the Minister for Finance provides further detail on the restrictions on this capital DEL for use in financial transactions. She states that this can only be used for loans or equity investment, and that a proportion of this funding will have to be repaid to HM Treasury. National Assembly for Wales, Finance Committee, [Letter to the Chair of the Finance Committee from Minister for Finance \(Jane Hutt, AM\)](#), 25 June 2013 [accessed 2 July 2013]

<sup>19</sup> Welsh Government, Jane Hutt (Minister for Finance), [Capital Allocations](#), Cabinet Oral Statement, 7 May 2013. It should be noted that as detailed in the Statement, only £1.2 million of the £11.5 million award for Ebbw Vale Railway Station is allocated in 2013-14, and so actioned via this supplementary budget. The remaining £10.3 million is to be allocated in future years. [accessed 2 July 2013]

with contingencies. A report setting out the detail of this was laid before the Assembly on 3 April.<sup>20</sup>

This means that the **£50 million capital intended to be carried forward into 2013-14 in support of WIIP is now no longer available.** The explanatory note accompanying the supplementary budget states that:

Details of the exact amounts of Fiscal Resource DEL and Capital DEL to be carried forward from 2012-13 will be confirmed once the Welsh Government's Annual Accounts for 2012-13 have been finalised and reflected in the Final Outturn Report. Adjustments to the baseline to reflect the final amount carried forward will be made later in the year through the UK Supplementary Estimate process.<sup>21</sup>

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<sup>20</sup> National Assembly for Wales, [\*GEN-LD9288 - Report Under Section 128\(7\) Government of Wales Act 2006 Acquisition of Cardiff Airport\*](#), 3 April 2013 [accessed 2 July 2013]

<sup>21</sup> Welsh Government, [\*Supplementary Budget 2013-14 Explanatory Note\*](#), 25 June 2013 (page 18) [accessed 2 July 2013]

#### 4. Transfers between portfolios

The supplementary budget makes a number of transfers between MEGs, (in addition to those involved in re-aligning the budget to the new portfolio structures) as detailed in [table 7](#). Although these impact on the individual MEG budgets, the net impact of these transfers on the Welsh Government's overall budget is zero.

**Table 7: Transfers between MEGs**

From	£000s	To	£000s	Description
<b>REVENUE TRANSFERS</b>				
<b>Health and Social Services (HSS)</b>				<b>Net movement: -32,906</b>
HSS: Adult & Older People	-32,906	LG: Funding Support for Local Government	32,906	Funding for learning disabilities being rolled into RSG.
<b>Local Government (LG)</b>				<b>Net movement: 61,393</b>
HSS: Adult & Older People	-32,906	LG: Funding Support for Local Government	32,906	Funding for learning disabilities being rolled into RSG.
ES: Wellbeing of Children & Young People	-24,440	LG: Funding Support for Local Government	24,440	Post 16 Special Schools and SEN out of county placements.
ES: Post 16 Education	-4,201	LG: Funding Support for Local Government	4,201	Post 16 SEN provision in mainstream schools
LG: Building Local Democracy	-93	CSA: Staff Costs	93	Not detailed as less than £250,000.
LG: Building Local Democracy	-61	CSA: Tribunals	61	Not detailed as less than £250,000.
<b>Communities and Tackling Poverty (CTP)</b>				<b>Net movement: 330</b>
NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	-30	CTP: Tackling Poverty	30	Not detailed as less than £250,000.
CSA: General Administration	-300	CTP: Sustainable Development & Equality	300	Community Cohesion.
<b>Economy, Science and Transport (EST)</b>				<b>Net movement: -1,308</b>
EST: Sectors	-1,258	CSA: International Development	1,258	SE Wales integrated transport network and City Region Strategy.
EST: Sectors	-17	HR: Regeneration	17	Not detailed as less than £250,000.
EST: Sectors	-33	CS: Strategic leadership for museum, archive and library services	33	Not detailed as less than £250,000.
<b>Education and Skills (ES)</b>				<b>Net movement: -28,641</b>
ES: Wellbeing of Children & Young People	-24,440	LG: Funding Support for Local Government	24,440	Post 16 Special Schools and SEN out of county placements.
ES: Post 16 Education	-4,201	LG: Funding Support for Local Government	4,201	Post 16 SEN provision in mainstream schools.
<b>Natural Resources and Food (NRF)</b>				<b>Net movement: 4,196</b>
CSA: Invest to Save	-3,750	NRF: Sponsor and Manage Delivery Bodies	3,750	Reconfiguration of workforce in Natural Resources Wales.
CSA: Invest to Save	-476	NRF: Sponsor and Manage Delivery Bodies	476	Integration of systems and support Transitional costs for Natural Resources Wales.
NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	-30	CTP: Tackling Poverty	30	Not detailed as less than £250,000.
<b>Housing and Regeneration (HR)</b>				<b>Net movement: 17</b>
EST: Sectors	-17	HR: Regeneration	17	Not detailed as less than £250,000.
<b>Culture and Sport (CS)</b>				<b>Net movement: 33</b>
EST: Sectors	-33	CS: Strategic leadership for museum, archive and library services	33	Not detailed as less than £250,000.
<b>Central Services and Administration (CSA)</b>				<b>Net movement: -3,114</b>
CSA: General Administration	-300	CTP: Sustainable Development & Equality	300	Community Cohesion.
EST: Sectors	-1,258	CSA: International Development	1,258	Programme costs of international offices.
CSA: Invest to Save	-3,750	NRF: Sponsor and Manage Delivery Bodies	3,750	Reconfiguration of workforce in Natural Resources Wales.
CSA: Invest to Save	-476	NRF: Sponsor and Manage Delivery Bodies	476	Integration of systems and support transitional costs for Natural Resources Wales.
LG: Building Local Democracy	-93	CSA: Staff Costs	93	Not detailed as less than £250,000.
LG: Building Local Democracy	-61	CSA: Tribunals	61	Not detailed as less than £250,000.

**Table 7: Transfers between MEGs (continued)**

From	£000s	To	£000s	Description
<b>CAPITAL TRANSFERS</b>				
<b>Health and Social Services (HSS)</b>				<b>Net movement: 100</b>
HR: Increase the Supply and Choice of Housing	-100	HSS: NHS Delivery	100	Not detailed as less than £250,000.
<b>Economy, Science and Transport (EST)</b>				<b>Net movement: 825</b>
HR: Regeneration	-825	EST: Road and Rail Schemes	825	Aberystwyth Station.
<b>Natural Resources and Food (NRF)</b>				<b>Net movement: 2,740</b>
HR: Achieve Quality Housing	-270	NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications,	270	Contribution to match funding for Arbed Phase 2.
HR: Increase the Supply and Choice of Housing	-1,100	NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications,	1,100	Contribution to match funding for Arbed Phase 2.
HR: Regeneration	-1,370	NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications,	1,370	Contribution to match funding for Arbed Phase 2.
<b>Housing and Regeneration (HR)</b>				<b>Net movement: -5,145</b>
HR: Regeneration	-825	EST: Road and Rail Schemes	825	Aberystwyth Station.
HR: Achieve Quality Housing	-270	NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications,	270	Contribution to match funding for Arbed Phase 2.
HR: Increase the Supply and Choice of Housing	-1,100	NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications,	1,100	Contribution to match funding for Arbed Phase 2.
HR: Regeneration	-1,370	NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications,	1,370	Contribution to match funding for Arbed Phase 2.
HR: Increase the Supply and Choice of Housing	-1,480	CS: Foster Useage and lifelong Learning Through Museum Services	1,480	Re-profiling of funding for redevelopment of St Fagan's Museum.
HR: Increase the Supply and Choice of Housing	-100	HSS: NHS Delivery	100	Not detailed as less than £250,000.
<b>Culture and Sport (CS)</b>				<b>Net movement: 1,480</b>
HR: Increase the Supply and Choice of Housing	-1,480	CS: Foster Useage and lifelong Learning Through Museum Services	1,480	Re-profiling of funding for redevelopment of St Fagan's Museum. In respect of capital funding transferred in 2012-13.

Source: Research Service calculations from Welsh Government Supplementary Budget 2013-14

## 5. Health and Social Services (HSS)

**Table 8** summarises changes at the spending programme area (SPA) level in the Health and Social Services MEG.

There have been a few structural changes in this MEG as a result of portfolio changes. This is mainly due to elements of funding within the Social Services SPA (from the *Children, Young People and Families* action) being transferred to the Communities and Tackling Poverty MEG, as a result of the transfer of functions relating to children's services. There has also been some redistribution of funding within the Social Services SPA.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £18.9 million, or 0.3 per cent.
- This consists of a £23.4 million (0.4 per cent) reduction in total DEL and a £42.3 million (44.7 per cent) increase in AME.
- The change in total DEL comprises a decrease of £33.5 million (0.6 per cent) in revenue DEL and an increase of £10.1 million (4.4 per cent) in capital DEL.

The £33.5 million decrease in revenue DEL is due to:

- A reduction of £0.6 million from the Public Health and Prevention SPA (*Sponsorship of Public Health Bodies* action) as a result of a transfer to the UK Department of Health, in relation to funding for the National Institute for Biological Services and Control (as shown in [table 6](#)).
- A reduction of £32.9 million in the Social Services SPA (*Adult and Older People* action) as a result of a transfer to the Local Government portfolio. This relates to the Learning Disability Resettlement Grant being rolled into the revenue support grant (as shown in [table 7](#)).

The £10.1 million increase in capital DEL is due to:

- £10 million allocation from capital reserve (as shown in [table 6](#)) to the NHS Delivery SPA/action. This is in for the Health Technologies Fund, which is stated to support service transformation through the introduction of new technologies.
- £0.1 million transfer in to the NHS Delivery SPA/action. This is below the £250,000 threshold and thus is not detailed. However, as shown in [table 7](#), it appears to have been transferred to the Housing and Regeneration MEG.

The £42.3 million increase in AME is stated to be due to revised forecasts for provisions and impairments in the NHS.

**Table 8: Changes to Health and Social Services allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural changes	2013-14 Final Budget (restated)	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural changes	2014-15 Final Budget (restated)
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
NHS Delivery	5,494,916	0	5,494,916	5,494,916	0	0.0	5,489,435	0	5,489,435
Health Central Budgets	228,904	0	228,904	228,904	0	0.0	228,179	0	228,179
Public Health & Prevention	158,001	0	158,001	157,392	-609	-0.4	158,001	0	158,001
Social Services	199,763	-117,678	82,085	49,179	-32,906	-40.1	209,763	-127,678	82,085
CAFCASS Cymru	10,162	0	10,162	10,162	0	0.0	10,162	0	10,162
<b>TOTAL REVENUE</b>	<b>6,091,746</b>	<b>-117,678</b>	<b>5,974,068</b>	<b>5,940,553</b>	<b>-33,515</b>	<b>-0.6</b>	<b>6,095,540</b>	<b>-127,678</b>	<b>5,967,862</b>
<b>CAPITAL DEL</b>									
NHS Delivery	217,275	0	217,275	227,375	10,100	4.6	225,275	0	225,275
Health Central Budgets	5,072	0	5,072	5,072	0	0.0	5,072	0	5,072
Public Health & Prevention	4,492	0	4,492	4,492	0	0.0	4,492	0	4,492
Social Services	16,711	-12,000	4,711	4,711	0	0.0	8,711	-4,000	4,711
<b>TOTAL CAPITAL</b>	<b>243,550</b>	<b>-12,000</b>	<b>231,550</b>	<b>241,650</b>	<b>10,100</b>	<b>4.4</b>	<b>243,550</b>	<b>-4,000</b>	<b>239,550</b>
<b>AME</b>									
NHS Impairments and Provisions	94,574	0	94,574	136,890	42,316	44.7	213,428	0	213,428
<b>TOTAL AME</b>	<b>94,574</b>	<b>0</b>	<b>94,574</b>	<b>136,890</b>	<b>42,316</b>	<b>44.7</b>	<b>213,428</b>	<b>0</b>	<b>213,428</b>
Revenue DEL	6,091,746	-117,678	5,974,068	5,940,553	-33,515	-0.6	6,095,540	-127,678	5,967,862
Capital DEL	243,550	-12,000	231,550	241,650	10,100	4.4	243,550	-4,000	239,550
<b>TOTAL DEL</b>	<b>6,335,296</b>	<b>-129,678</b>	<b>6,205,618</b>	<b>6,182,203</b>	<b>-23,415</b>	<b>-0.4</b>	<b>6,339,090</b>	<b>-131,678</b>	<b>6,207,412</b>
Annually Managed Expenditure	94,574	0	94,574	136,890	42,316	44.7	213,428	0	213,428
<b>TOTAL Health &amp; Social Services</b>	<b>6,429,870</b>	<b>-129,678</b>	<b>6,300,192</b>	<b>6,319,093</b>	<b>18,901</b>	<b>0.3</b>	<b>6,552,518</b>	<b>-131,678</b>	<b>6,420,840</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 6. Local Government (LG)

**Table 9** summarises changes at the spending programme area (SPA) level in the Local Government MEG.

There have been a number of structural changes in this MEG as a result of portfolio changes. The Supporting Communities and People SPA has been transferred out to the Communities and Tackling Poverty portfolio in its entirety. All funding in relation to transport has been transferred to the Economy, Science and Transport portfolio.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £299.4 million, or 6.7 per cent.
- This consists of a £302.1 million (6.8 per cent) increase in total DEL and a £2.6 million (10.7 per cent) reduction in AME.
- The change in total DEL is entirely due to an increase of £302.1 million (6.8 per cent) in revenue DEL. There are no changes to capital DEL.

The £302.1 million increase in revenue DEL is due to:

- Transfers with the UK Government totalling £221.7 million, as shown in **table 6**):
  - £222 million has been allocated to the Local Government Funding SPA (*Funding Support for Local Government* action) as a result of the devolution of council tax; and
  - £0.3 million has been transferred out of the Safer Communities SPA (Fire and Rescue Services Resilience action) for increased levels of contributions to Fire Fighter pension schemes.
- An allocation of £19 million from revenue reserves (as shown in **table 6**) has been made to the Local Government Funding SPA (*Funding Support for Local Government* action) in relation to Council Tax Support.
- An increase of £61.4 million as a result of transfers between MEGs (as shown in **table 7**):
  - £32.9 million into the Local Government Funding SPA (*Funding Support for Local Government* action) from the Health and Social Services MEG as a result of the Learning Disability Resettlement Grant being rolled into the revenue support grant;

- £28.6 million into the Local Government Funding SPA (*Funding Support for Local Government* action) from the Education and Skills MEG in relation to post 16 special educational needs (SEN) provision in mainstream schools and post 16 special schools and SEN out of county placements;
- Minor transfers from the Improving Services, Collaboration and Democracy SPA (*Building Local Democracy* action). These are below the £250,000 threshold and thus not detailed. However, as shown in [table 7](#), they appear to have been transferred to the Central Services and Administration MEG.

The £2.6 million decrease in AME is stated to be due to reflect the latest forecasts for fire service pensions.

**Table 9: Changes to Local Government allocations**

Spending programme area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary Budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Local Government Funding	4,325,747	0	4,325,747	4,628,294	302,547	7.0	4,352,147	0	4,352,147
Supporting Communities and People	52,064	-52,064	0	0	0	0.0	52,064	-52,064	0
Safer Communities	16,701	0	16,701	16,373	-328	-2.0	16,701	0	16,701
Improving Services, Collaboration and Democracy	40,979	0	40,979	40,825	-154	-0.4	40,979	0	40,979
Care & Social Services Inspectorate	14,461	0	14,461	14,461	0	0.0	14,461	0	14,461
Healthcare Inspectorate Wales	2,591	0	2,591	2,591	0	0.0	2,591	0	2,591
Estyn	12,364	0	12,364	12,364	0	0.0	12,364	0	12,364
Motorway & Trunk Road Network Operations	174,212	-174,212	0	0	0	0.0	173,574	-173,574	0
Rail & Air Services	173,179	-173,179	0	0	0	0.0	173,179	-173,179	0
Sustainable Travel	82,302	-82,302	0	0	0	0.0	83,685	-83,685	0
Improve Road Safety	4,717	-4,717	0	0	0	0.0	4,713	-4,713	0
<b>TOTAL REVENUE</b>	<b>4,899,317</b>	<b>-486,474</b>	<b>4,412,843</b>	<b>4,714,908</b>	<b>302,065</b>	<b>6.8</b>	<b>4,926,458</b>	<b>-487,215</b>	<b>4,439,243</b>
<b>CAPITAL DEL</b>									
Local Government Funding	20,000	0	20,000	20,000	0	0.0	20,000	0	20,000
Supporting Communities and People	10,950	-10,950	0	0	0	0.0	10,950	-10,950	0
Safer Communities	2,639	0	2,639	2,639	0	0.0	2,639	0	2,639
Estyn	281	0	281	281	0	0.0	281	0	281
Motorway & Trunk Road Network Operations	48,551	-48,551	0	0	0	0.0	63,204	-63,204	0
Road & Rail Investment	107,891	-107,891	0	0	0	0.0	121,046	-121,046	0
Sustainable Travel	41,640	-41,640	0	0	0	0.0	39,532	-39,532	0
Improve & Maintain Local Roads Infrastructure	13,667	-13,667	0	0	0	0.0	13,667	-13,667	0
Improve Road Safety	6,900	-6,900	0	0	0	0.0	6,900	-6,900	0
<b>TOTAL CAPITAL</b>	<b>252,519</b>	<b>-229,599</b>	<b>22,920</b>	<b>22,920</b>	<b>0</b>	<b>0.0</b>	<b>278,219</b>	<b>-255,299</b>	<b>22,920</b>
<b>AME</b>									
Local Government Funding	24,488	0	24,488	21,856	-2,632	-10.7	24,488	0	24,488
Motorway & Trunk Road Network Operations	27,918	-27,918	0	0	0	0.0	28,946	-28,946	0
<b>TOTAL AME</b>	<b>52,406</b>	<b>-27,918</b>	<b>24,488</b>	<b>21,856</b>	<b>-2,632</b>	<b>-10.7</b>	<b>53,434</b>	<b>-28,946</b>	<b>24,488</b>
Revenue DEL	4,899,317	-486,474	4,412,843	4,714,908	302,065	6.8	4,926,458	-487,215	4,439,243
Capital DEL	252,519	-229,599	22,920	22,920	0	0.0	278,219	-255,299	22,920
<b>TOTAL DEL</b>	<b>5,151,836</b>	<b>-716,073</b>	<b>4,435,763</b>	<b>4,737,828</b>	<b>302,065</b>	<b>6.8</b>	<b>5,204,677</b>	<b>-742,514</b>	<b>4,462,163</b>
Annually Managed Expenditure	52,406	-27,918	24,488	21,856	-2,632	-10.7	53,434	-28,946	24,488
<b>TOTAL Local Government</b>	<b>5,204,242</b>	<b>-743,991</b>	<b>4,460,251</b>	<b>4,759,684</b>	<b>299,433</b>	<b>6.7</b>	<b>5,258,111</b>	<b>-771,460</b>	<b>4,486,651</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 7. Communities and Tackling Poverty (CTP)

**Table 10** summarises changes at the spending programme area (SPA) level in the Communities and Tackling Poverty MEG.

This is a new portfolio and has been created by the transfer of responsibilities, and budgets, from other portfolio areas. These include functions in relation to:

- Supporting Communities and People – SPA transferred in its entirety from the Local Government MEG;
- Children, Young People and Families – element of funding transferred from the Social Services SPA in the Health and Social Services MEG;
- Welfare reform – funding transferred from the Skills Workforce SPA in the Education and Skills MEG;
- Equalities and inclusion – funding transferred from the Central Programmes SPA in the Central Services and Administration MEG; and
- Sustainable development – funding transferred from the Climate Change and Sustainability SPA in the Natural Resources and Food MEG.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £12.7 million, or 6.4 per cent.
- This consists entirely of a £12.7 million (6.4 per cent) increase in total DEL. There is no AME in this MEG.
- The change in total DEL is entirely due to an increase of £12.7 million (7.3 per cent) in revenue DEL. There are no changes to capital DEL

The £12.7 million increase in revenue DEL is due to:

- A transfer from the UK Government of £12.4 million, (as shown in **table 6**), into the Supporting People and Communities SPA (*Tackling Poverty* action), as a result of the abolition of the Discretionary Social Fund.
- An increase of £330,000 as a result of transfers between MEGs (as shown in **table 7**):
  - £300,000 into the Sustainable Development and Equality SPA/action from the Central Services and Administration MEG in relation to Community Cohesion; and
  - £30,000 into the Supporting Communities and People SPA (*Tackling Poverty* action). This is below the £250,000 threshold and thus not detailed. However, as shown in **table 7**, it appears to have been transferred from the Natural Resources and Food MEG.

**Table 10: Changes to Communities and Tackling Poverty allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Children, Young People and Families	0	117,538	117,538	117,538	0	0.0	0	127,538	127,538
Supporting Communities and People	0	54,704	54,704	67,097	12,393	22.7	0	53,349	53,349
Sustainable Development and Equality	0	2,621	2,621	2,921	300	11.4	0	2,621	2,621
<b>TOTAL REVENUE</b>	<b>0</b>	<b>174,863</b>	<b>174,863</b>	<b>187,556</b>	<b>12,693</b>	<b>7.3</b>	<b>0</b>	<b>183,508</b>	<b>183,508</b>
<b>CAPITAL DEL</b>									
Communities and Tackling Poverty	0	24,450	24,450	24,450	0	0.0	0	16,450	16,450
<b>TOTAL CAPITAL</b>	<b>0</b>	<b>24,450</b>	<b>24,450</b>	<b>24,450</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>16,450</b>	<b>16,450</b>
<b>AME</b>									
<b>TOTAL AME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue DEL	0	174,863	174,863	187,556	12,693	7.3	0	183,508	183,508
Capital DEL	0	24,450	24,450	24,450	0	0.0	0	16,450	16,450
<b>TOTAL DEL</b>	<b>0</b>	<b>199,313</b>	<b>199,313</b>	<b>212,006</b>	<b>12,693</b>	<b>6.4</b>	<b>0</b>	<b>199,958</b>	<b>199,958</b>
Annually Managed Expenditure	0	0	0	0	0	0.0	0	0	0
<b>TOTAL Communities &amp; Tackling Poverty</b>	<b>0</b>	<b>199,313</b>	<b>199,313</b>	<b>212,006</b>	<b>12,693</b>	<b>6.4</b>	<b>0</b>	<b>199,958</b>	<b>199,958</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 8. Economy, Science and Transport (EST)

**Table 11** summarises changes at the spending programme area (SPA) level in the Economy, Science and Transport MEG.

There have been a number of structural changes in this MEG as a result of portfolio changes. Provision for transport has been transferred into this portfolio from the Local Government portfolio. Provision for rural affairs has been removed from this portfolio and transferred into the Natural Resources and Food MEG. Funding for the Welsh European Funding Office (WEFO) has been transferred out to the Central Services and Administration portfolio.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £0.7 million, or 0.1 per cent.
- This consists entirely of a £0.7 million (0.1 per cent) increase in total DEL. There is no change in AME.
- The change in total DEL is due to a decrease of £1.3 million (0.2 per cent) in revenue DEL, offset by an increase of £2 million (0.6 per cent) in capital DEL.

The £1.3 million reduction in revenue DEL is due to:

- Transfers between MEGs (as shown in **table 7**):
  - £1.26 million transferred out from the Sectors and Business SPA (*Sectors* action) to the Central Services and Administration MEG in relation to programme costs of international offices; and
  - Minor transfers totalling £50,000 from the Sectors and Business SPA (*Sectors* action). These are below the £250,000 threshold and thus not detailed. However, as shown in **table 7**, they appear to have been transferred to the Housing and Regeneration MEG (£17,000) and the Culture and Sport MEG (£33,000).

The £2 million increase in capital DEL is due to:

- An allocation of £1.2 million from capital reserves (as shown in **table 6**) has been made to the Road and Rail Investment SPA (*Road and Rail Schemes* action) in relation to new construction along the Ebbw Vale line, including a new station.
- A transfer of £0.8 million from the Housing and Regeneration MEG (As shown in **table 7**). This has gone into the Road and Rail Investment SPA (*Road and Rail Schemes* action) in support of improvement to Aberystwyth station.

**Table 11: Changes to Economy, Science and Transport allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Sectors and Business	57,847	-5,450	52,397	51,089	-1,308	-2.5	58,579	-5,450	53,129
Science and Innovation	14,269	0	14,269	14,269	0	0.0	14,895	0	14,895
Major Events	4,740	0	4,740	4,740	0	0.0	4,740	0	4,740
Infrastructure	20,642	0	20,642	20,642	0	0.0	22,171	0	22,171
Strategy & Corporate Programmes	10,138	0	10,138	10,138	0	0.0	10,060	0	10,060
WEFO	1,522	-1,522	0	0			1,522	-1,522	0
Rural Affairs	75,116	-75,116	0	0			74,916	-74,916	0
Motorway and Trunk Road	0	174,212	174,212	174,212	0	0.0	0	173,574	173,574
Rail and Air Services	0	173,179	173,179	173,179	0	0.0	0	173,179	173,179
Sustainable Travel	0	82,302	82,302	82,302	0	0.0	0	83,685	83,685
Improve Road Safety	0	4,717	4,717	4,717	0	0.0	0	4,713	4,713
<b>TOTAL Revenue</b>	<b>184,274</b>	<b>352,322</b>	<b>536,596</b>	<b>535,288</b>	<b>-1,308</b>	<b>-0.2</b>	<b>186,883</b>	<b>353,263</b>	<b>540,146</b>
<b>CAPITAL DEL</b>									
Sectors and Business	56,519	0	56,519	56,519	0	0.0	66,144	0	66,144
Science & Innovation	3,613	0	3,613	3,613	0	0.0	11,979	0	11,979
Infrastructure	36,456	0	36,456	36,456	0	0.0	28,456	0	28,456
Strategy & Corporate Programmes	59	0	59	59	0	0.0	68	0	68
Rural Affairs	14,423	-14,423	0	0			11,723	-11,723	0
Motorway and Trunk Road	0	48,551	48,551	48,551	0	0.0	0	63,204	63,204
Road and Rail Investment	0	107,891	107,891	109,916	2,025	1.9	0	121,046	121,046
Sustainable Travel	0	41,640	41,640	41,640	0	0.0	0	39,532	39,532
Improve and Maintain Local Roads	0	13,667	13,667	13,667	0	0.0	0	13,667	13,667
Infrastructure	0	6,900	6,900	6,900	0	0.0	0	6,900	6,900
Improve Road Safety	0	6,900	6,900	6,900	0	0.0	0	6,900	6,900
<b>TOTAL Capital</b>	<b>111,070</b>	<b>204,226</b>	<b>315,296</b>	<b>317,321</b>	<b>2,025</b>	<b>0.6</b>	<b>118,370</b>	<b>232,626</b>	<b>350,996</b>
<b>AME</b>									
Infrastructure	20,000	0	20,000	20,000	0	0.0	20,000	0	20,000
Motorway and Trunk Road	0	27,918	27,918	27,918			0	28,946	28,946
<b>TOTAL AME</b>	<b>20,000</b>	<b>27,918</b>	<b>47,918</b>	<b>47,918</b>	<b>0</b>	<b>0.0</b>	<b>20,000</b>	<b>28,946</b>	<b>48,946</b>
Revenue DEL	184,274	352,322	536,596	535,288	-1,308	-0.2	186,883	353,263	540,146
Capital DEL	111,070	204,226	315,296	317,321	2,025	0.6	118,370	232,626	350,996
<b>TOTAL DEL</b>	<b>295,344</b>	<b>556,548</b>	<b>851,892</b>	<b>852,609</b>	<b>717</b>	<b>0.1</b>	<b>305,253</b>	<b>585,889</b>	<b>891,142</b>
Annually Managed Expenditure	20,000	27,918	47,918	47,918	0	0.0	20,000	28,946	48,946
<b>TOTAL Economy, Science &amp; Transport</b>	<b>315,344</b>	<b>584,466</b>	<b>899,810</b>	<b>900,527</b>	<b>717</b>	<b>0.1</b>	<b>325,253</b>	<b>614,835</b>	<b>940,088</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 9. Education and Skills (ES)

**Table 12** summarises changes at the spending programme area (SPA) level in the Education and Skills MEG.

The Education and Skills portfolio remains mostly unchanged by the structural movements. Functions relating to welfare reform have been moved to the Communities and Tackling Poverty portfolio, and in line with this there has been a small transfer of funding from the Skilled Workforce SPA (*Employment and Skills* action).

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is a decrease in TME of £8.6 million, or 0.5 per cent.
- This consists entirely of an £8.6 million (0.5 per cent) reduction in total DEL. There is no change in AME.
- The change in total DEL is due to a decrease of £33.6 million (2 per cent) in revenue DEL, offset by an increase of £25 million (14.1 per cent) in capital DEL.

The £33.6 million reduction in revenue DEL is due to:

- A transfer of £5 million to revenue reserves (as shown in **table 6**) from the Skilled Workforce SPA (*Employment and Skills* action). This relates to the repayment of Transition Fund resource for Adapt.
- Transfers between MEGs (as shown in **table 7**):
  - £24.4 million transferred out from the Economic and Social Wellbeing and Reducing Inequality SPA (*Wellbeing of Children and Young People* action) to the Local Government MEG, this relates to funding for post 16 SEN provision in special schools and SEN out of county placements being rolled into the revenue support grant; and
  - £4.2 million transferred out from the Education and Training Standards SPA (*Post 16 Education* action) to the Local Government MEG, this relates to funding for post 16 SEN provision in mainstream schools being rolled into the revenue support grant.

The £25 million increase in capital DEL is due to an allocation from capital reserves (as shown in **table 6**) to the *Estates and IT Provision* action in the Education and Training Standards SPA. This is to accelerate the 21<sup>st</sup> Century Schools programme and support existing transitional projects in Denbighshire, Monmouthshire, Swansea, Powys, Vale of Glamorgan, Conwy and Flintshire.

**Table 12: Changes to Education and Skills allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Education and Training Standards	1,204,252	0	1,204,252	1,200,051	-4,201	-0.3	1,209,052	0	1,209,052
Skilled Workforce	81,403	-1,500	79,903	74,903	-5,000	-6.3	81,403	-145	81,258
Economic and Social Wellbeing and Reducing Inequality	379,019	0	379,019	354,579	-24,440	-6.4	382,054	0	382,054
Welsh Language	25,076	0	25,076	25,076	0	0.0	25,076	0	25,076
Delivery Support	4,049	0	4,049	4,049	0	0.0	4,049	0	4,049
<b>TOTAL REVENUE</b>	<b>1,693,799</b>	<b>-1,500</b>	<b>1,692,299</b>	<b>1,658,658</b>	<b>-33,641</b>	<b>-2.0</b>	<b>1,701,634</b>	<b>-145</b>	<b>1,701,489</b>
<b>CAPITAL DEL</b>									
Education and Training Standards	177,134	0	177,134	202,134	25,000	14.1	153,834	0	153,834
<b>TOTAL CAPITAL</b>	<b>177,134</b>	<b>0</b>	<b>177,134</b>	<b>202,134</b>	<b>25,000</b>	<b>14.1</b>	<b>153,834</b>	<b>0</b>	<b>153,834</b>
<b>AME</b>									
Economic and Social Wellbeing and Reducing Inequality	176,869	0	176,869	176,869	0	0.0	183,149	0	183,149
<b>TOTAL AME</b>	<b>176,869</b>	<b>0</b>	<b>176,869</b>	<b>176,869</b>	<b>0</b>	<b>0.0</b>	<b>183,149</b>	<b>0</b>	<b>183,149</b>
Revenue DEL	1,693,799	-1,500	1,692,299	1,658,658	-33,641	-2.0	1,701,634	-145	1,701,489
Capital DEL	177,134	0	177,134	202,134	25,000	14.1	153,834	0	153,834
<b>TOTAL DEL</b>	<b>1,870,933</b>	<b>-1,500</b>	<b>1,869,433</b>	<b>1,860,792</b>	<b>-8,641</b>	<b>-0.5</b>	<b>1,855,468</b>	<b>-145</b>	<b>1,855,323</b>
Annually Managed Expenditure	176,869	0	176,869	176,869	0	0.0	183,149	0	183,149
<b>TOTAL Education &amp; Skills</b>	<b>2,047,802</b>	<b>-1,500</b>	<b>2,046,302</b>	<b>2,037,661</b>	<b>-8,641</b>	<b>-0.4</b>	<b>2,038,617</b>	<b>-145</b>	<b>2,038,472</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 10. Natural Resources and Food (NRF)

**Table 13** summarises changes at the spending programme area (SPA) level in the Natural Resources and Food MEG.

This portfolio remains largely based on the old Environment and Sustainable Development portfolio. However, funding for rural affairs has been transferred in from the EST MEG. There has also been a transfer of funding in relation to countryside access and the National Botanic Garden to the new Culture and Sport MEG.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £15.7 million, or 3.9 per cent.
- This consists entirely of a £15.7 million (3.9 per cent) increase in total DEL. There is no AME in this portfolio.
- The change in total DEL is due to an increase of £3 million (0.9 per cent) in revenue DEL, and an increase of £12.7 million (17.2 per cent) in capital DEL.

The £3 million increase in revenue DEL is due to:

- A transfer to the UK Government of £1.2 million, (as shown in **table 6**), from the Environment SPA (*Sponsor and Manage Delivery Bodies* action). This is repayment of grant-in-aid received by the former Countryside Council Wales.
- Transfers between MEGs (as shown in **table 7**):
  - £4.2 million transferred in to the Environment SPA (*Sponsor and Manage Delivery Bodies* action) from the Central Services and Administration MEG in relation to Invest-to-Save funding for Natural Resources Wales. £3.7 million of this is for workforce reconfiguration and £0.5 million for integration of systems and to support transitional costs.
  - There is also a transfer of £30,000 from the Climate Change and Sustainability SPA (*Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation* action). As this is below the £250,000 threshold it is not detailed. However, as shown in **table 7**, it appears to have been transferred to the Communities and Tackling Poverty MEG.

The £12.7 million increase in capital DEL is due to:

- An allocation of £10 million from capital reserves (as shown in **table 6**) has been made to the Climate Change and Sustainability SPA (*Develop and implement flood and coastal risk, water and sewage policy and legislation* action) in relation to fund flood schemes in North Wales.

- Transfers between MEGs (as shown in [table 7](#)) totalling £2.7 million. These transfers have all gone into the Climate Change and Sustainability SPA (*Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation action*). These transfers have all come from the Housing and Regeneration MEG and relate to the match funding for Arbed 2, the Welsh Government's Strategic Energy performance Investment programme.

There have also been a number of transfers between actions within the Natural Resources and Food MEG, shown in [table 14](#). The net impact of these transfers on the overall MEG budget is neutral.

**Table 13: Changes to Natural Resources and Food allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Climate Change and Sustainability	120,118	-1,560	118,558	118,778	220	0.2	123,885	-1,560	122,325
Environment	97,216	-12,057	85,159	87,783	2,624	3.1	95,704	-12,057	83,647
Planning	7,090	-7,090	0	0	0	0.0	7,090	-7,090	0
Protecting & Improving Animal Health & Welfare	38,895	0	38,895	38,895	0	0.0	38,041	0	38,041
Evidence Base	1,136	0	1,136	1,136	0	0.0	1,136	0	1,136
Agriculture and Food	0	80,566	80,566	80,686	120	0.1	0	80,366	80,366
<b>TOTAL REVENUE</b>	<b>264,455</b>	<b>59,859</b>	<b>324,314</b>	<b>327,278</b>	<b>2,964</b>	<b>0.9</b>	<b>265,856</b>	<b>59,659</b>	<b>325,515</b>
<b>CAPITAL DEL</b>									
Climate Change and Sustainability	58,628	0	58,628	71,368	12,740	21.7	58,584	0	58,584
Environment	3,645	-2,850	795	795	0	0.0	3,645	-2,850	795
Evidence Base	38	0	38	38	0	0.0	38	0	38
Agriculture and Food	0	14,423	14,423	14,423	0	0.0	0	11,723	11,723
<b>TOTAL CAPITAL</b>	<b>62,311</b>	<b>11,573</b>	<b>73,884</b>	<b>86,624</b>	<b>12,740</b>	<b>17.2</b>	<b>62,267</b>	<b>8,873</b>	<b>71,140</b>
<b>TOTAL AME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue DEL	264,455	59,859	324,314	327,278	2,964	0.9	265,856	59,659	325,515
Capital DEL	62,311	11,573	73,884	86,624	12,740	17.2	62,267	8,873	71,140
<b>TOTAL DEL</b>	<b>326,766</b>	<b>71,432</b>	<b>398,198</b>	<b>413,902</b>	<b>15,704</b>	<b>3.9</b>	<b>328,123</b>	<b>68,532</b>	<b>396,655</b>
Annually Managed Expenditure	0	0	0	0	0	0.0	0	0	0
<b>TOTAL Natural Resources &amp; Food</b>	<b>326,766</b>	<b>71,432</b>	<b>398,198</b>	<b>413,902</b>	<b>15,704</b>	<b>3.9</b>	<b>328,123</b>	<b>68,532</b>	<b>396,655</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

**Table 14: Transfers within Natural Resources and Food, at action level**

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
NRF: Deliver nature conservation and marine policies.	-250		NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	250		To fund delivery of the Environment Bill and Natural Resource Management Policy.
NRF: Deliver nature conservation and marine policies.	-120		NRF: Developing, managing and enforcing Welsh Fisheries and aquaculture	120		Not detailed as less than £250,000.
<b>Total transfers</b>	<b>-370</b>	<b>0</b>		<b>370</b>	<b>0</b>	

Source: Research Service calculations from Welsh Government Supplementary Budget 2013-14

## 11. Housing and Regeneration (HR)

**Table 15** summarises changes at the spending programme area (SPA) level in the Housing and Regeneration MEG.

There have been a few structural changes in this MEG as a result of portfolio changes. All provision for planning has been transferred in from the former Environment and Sustainable Development MEG, and all functions and funding relating to heritage have been transferred out to the new Culture and Sport portfolio.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £24.9 million, or 6.7 per cent.
- This consists entirely of a £24.9 million (5.6 per cent) increase in total DEL. There are no changes in AME.
- The change in total DEL is due to an increase of £17,000 in revenue DEL, and an increase of £24.9 million (9.4 per cent) in capital DEL.

The £17,000 increase in revenue DEL is due to a transfer between MEGs. As this is below the £250,000 threshold it is not detailed. However, as shown in **table 7**, it appears to have been transferred from the Economy, Science and Transport MEG.

The £24.9 million increase in capital DEL is due to:

- An allocation of £30 million from capital reserves (as shown in **table 6**). £10 million to the Housing Policy SPA (*Empty Properties Programme* action) to support the Recyclable Loans Fund for Empty Properties, and £20 million to the Homes and Places SPA (*Increase the Supply and Choice of Housing* action) to support the Social Housing Grant.
- Transfers between MEGs (as shown in **table 7**):
  - £2.7 million has been transferred to the Natural Resources and Food MEG and relates to the match funding for Arbed 2, the Welsh Government's Strategic Energy performance Investment programme. This has come from the Homes and Places SPA (£0.3 million from the *Achieve Quality Housing* action; £1.1 million from the *Increase the Supply and Choice of Housing* action, and £1.3 million from the *Regeneration* action).
  - £1.5 million has been transferred out of the Homes and Places SPA (*Increase the Supply and Choice of Housing* action) to the Culture and Sport MEG in respect of re-profiling of funding for St Fagan's Museum.

- £0.8 million from the Homes and Places SPA (*Regeneration* action) to the Economy, Science and Transport MEG in relation to Aberystwyth Station improvements.
- There is also a transfer of £0.1 million from the Homes and Places SPA (*Increase the Supply and Choice of Housing* action). As this is below the £250,000 threshold it is not detailed. However, as shown in [table 7](#), it appears to have been transferred to the Health and Social Services MEG.

**Table 15: Changes to Housing and Regeneration allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Housing Policy	150,736	0	150,736	150,736	0	0.0	150,741	0	150,741
Homes and Places	17,278	0	17,278	17,295	17	0.1	17,278	0	17,278
Planning	0	7,874	7,874	7,874	0	0.0	0	7,874	7,874
Support and sustain a strong arts sector via the Arts Council and Museums, Archives and Libraries	35,643	-35,643	0	0	0	0.0	35,643	-35,643	0
Delivery of effective sports & physical activity programmes	37,445	-37,445	0	0	0	0.0	37,445	-37,445	0
Media and Publishing	24,853	-24,853	0	0	0	0.0	24,899	-24,899	0
Conserve, protect, sustain and promote access to the historic	3,926	-3,926	0	0	0	0.0	3,926	-3,926	0
	11,541	-11,541	0	0	0	0.0	11,541	-11,541	0
<b>TOTAL REVENUE</b>	<b>281,422</b>	<b>-105,534</b>	<b>175,888</b>	<b>175,905</b>	<b>17</b>	<b>0.0</b>	<b>281,473</b>	<b>-105,580</b>	<b>175,893</b>
<b>CAPITAL DEL</b>									
Housing	1,641	0	1,641	11,641	10,000	609.4	1,641	0	1,641
Homes and Places	263,529	0	263,529	278,384	14,855	5.6	265,729	0	265,729
Support and sustain a strong arts sector via the Arts Council and Museums, Archives and Libraries	450	-450	0	0	0	0.0	450	-450	0
Delivery of effective sports & physical activity programmes	4,043	-4,043	0	0	0	0.0	4,043	-4,043	0
Media and Publishing	345	-345	0	0	0	0.0	345	-345	0
Conserve, protect, sustain and promote access to the historic	25	-25	0	0	0	0.0	25	-25	0
	5,031	-5,031	0	0	0	0.0	5,031	-5,031	0
<b>TOTAL CAPITAL</b>	<b>275,064</b>	<b>-9,894</b>	<b>265,170</b>	<b>290,025</b>	<b>24,855</b>	<b>9.4</b>	<b>277,264</b>	<b>-9,894</b>	<b>267,370</b>
<b>AME</b>									
Museums, Archives and Libraries	2,740	-2,740	0	0	0	0.0	2,740	-2,740	0
Housing	-71,000	0	-71,000	-71,000	0	0.0	-71,000	0	-71,000
<b>TOTAL AME</b>	<b>-68,260</b>	<b>-2,740</b>	<b>-71,000</b>	<b>-71,000</b>	<b>0</b>	<b>0.0</b>	<b>-68,260</b>	<b>-2,740</b>	<b>-71,000</b>
Revenue DEL	281,422	-105,534	175,888	175,905	17	0.0	281,473	-105,580	175,893
Capital DEL	275,064	-9,894	265,170	290,025	24,855	9.4	277,264	-9,894	267,370
<b>TOTAL DEL</b>	<b>556,486</b>	<b>-115,428</b>	<b>441,058</b>	<b>465,930</b>	<b>24,872</b>	<b>5.6</b>	<b>558,737</b>	<b>-115,474</b>	<b>443,263</b>
Annually Managed Expenditure	-68,260	-2,740	-71,000	-71,000	0	0.0	-68,260	-2,740	-71,000
<b>TOTAL Housing &amp; Regeneration</b>	<b>488,226</b>	<b>-118,168</b>	<b>370,058</b>	<b>394,930</b>	<b>24,872</b>	<b>6.7</b>	<b>490,477</b>	<b>-118,214</b>	<b>372,263</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

## 12. Culture and Sport (CS)

**Table 16** summarises changes at the spending programme area (SPA) level in the Culture and Sport MEG.

This is a new portfolio and has been created by the transfer of responsibilities, and budgets, from other portfolio areas. These include functions in relation to:

- Heritage – funding has been transferred from the former Housing, Regeneration and Heritage MEG; and
- National Parks, access to the countryside and coastal access, promotion of walking and cycling and allotments funding has been transferred from the former Environment and Sustainable Development MEG.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is an increase in TME of £1.5 million, or 1.1 per cent.
- This consists entirely of a £1.5 million (1.1 per cent) increase in total DEL. There are no changes in AME.
- The change in total DEL is due to an increase of £33,000 in revenue DEL, and an increase of £1.5 million (11.6 per cent) in capital DEL.

The £33,000 increase in revenue DEL is due to a transfer between MEGs. As this is below the £250,000 threshold it is not detailed. However, as shown in **table 7**, it appears to have been transferred from the Economy, Science and Transport MEG.

The £1.5 million increase in capital DEL is due to a transfer between MEGs (as shown in **table 7**), £1.5 million has been transferred in to the Museums, Archives and Libraries SPA (*Foster Usage and lifelong Learning through Museum Services* action) from the Housing and Regeneration MEG in respect of re-profiling of funding for St Fagan's Museum.

There have also been a number of transfers between actions within the Culture and Sport MEG, shown in **table 17**. The net impact of these transfers on the overall MEG budget is neutral.

**Table 16: Changes to Culture and Sport allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Support and sustain a strong arts sector via the Arts Council and Museums, Archives and Libraries	0	35,643	35,643	34,758	-885	-2.5	0	35,643	35,643
Delivery of effective sports & physical activity programmes	0	37,445	37,445	37,578	133	0.4	0	37,445	37,445
Media & publishing	0	24,853	24,853	24,853	0	0.0	0	24,899	24,899
Conserve, protect, sustain and promote access to the historic Landscape and Outdoor Recreation	0	3,926	3,926	3,926	0	0.0	0	3,926	3,926
	0	11,541	11,541	11,641	100	0.9	0	11,541	11,541
	0	12,057	12,057	12,742	685	5.7	0	12,057	12,057
<b>TOTAL REVENUE</b>	<b>0</b>	<b>125,465</b>	<b>125,465</b>	<b>125,498</b>	<b>33</b>	<b>0.0</b>	<b>0</b>	<b>125,511</b>	<b>125,511</b>
<b>CAPITAL DEL</b>									
Support and sustain a strong arts sector via the Arts Council and Museums, Archives and Libraries	0	450	450	355	-95	-21.1	0	450	450
Delivery of effective sports & physical activity programmes	0	4,043	4,043	5,223	1,180	29.2	0	4,043	4,043
Media & publishing	0	345	345	345	0	0.0	0	345	345
Conserve, protect, sustain and promote access to the historic Landscape and Outdoor Recreation	0	25	25	25	0	0.0	0	25	25
	0	5,031	5,031	5,331	300	6.0	0	5,031	5,031
	0	2,850	2,850	2,945	95	3.3	0	2,850	2,850
<b>TOTAL CAPITAL</b>	<b>0</b>	<b>12,744</b>	<b>12,744</b>	<b>14,224</b>	<b>1,480</b>	<b>11.6</b>	<b>0</b>	<b>12,744</b>	<b>12,744</b>
<b>AME</b>									
Museums, Archives and Libraries	0	2,740	2,740	2,740	0	0.0	0	2,740	2,740
<b>TOTAL AME</b>	<b>0</b>	<b>2,740</b>	<b>2,740</b>	<b>2,740</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>2,740</b>	<b>2,740</b>
Revenue DEL	0	125,465	125,465	125,498	33	0.0	0	125,511	125,511
Capital DEL	0	12,744	12,744	14,224	1,480	11.6	0	12,744	12,744
<b>TOTAL DEL</b>	<b>0</b>	<b>138,209</b>	<b>138,209</b>	<b>139,722</b>	<b>1,513</b>	<b>1.1</b>	<b>0</b>	<b>138,255</b>	<b>138,255</b>
Annually Managed Expenditure	0	2,740	2,740	2,740	0	0.0	0	2,740	2,740
<b>TOTAL Culture &amp; Sport</b>	<b>0</b>	<b>140,949</b>	<b>140,949</b>	<b>142,462</b>	<b>1,513</b>	<b>1.1</b>	<b>0</b>	<b>140,995</b>	<b>140,995</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

**Table 17: Transfers within Culture and Sport, at action level**

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
CS: Support and sustain a strong arts sector via the arts Council and others	-685		CS: Promote and support protected landscapes, wider access to green space and the National Botanic Garden	685		Not detailed.
CS: Support and sustain a strong arts sector via the Arts Council and others	-100		Strategic leadership for museum, archive and library services	100		Not detailed as less than £250,000.
CS: Support and sustain a strong arts sector via the arts Council and others	-100		CS: Conserve, protect, sustain and promote access to the historic environment.	100		Not detailed as less than £250,000.
CS: Support and sustain a strong arts sector via the arts Council and others		-95	CS: Promote and support protected landscapes, wider access to green space and the National Botanic Garden		95	Not detailed as less than £250,000.
CS: Foster Usage and Lifelong Learning through Library Services		-300	CS: Conserve, protect, sustain and promote access to the historic environment.		300	In respect of capital funding transferred in 2012-13.
<b>Total transfers</b>	<b>-885</b>	<b>-395</b>		<b>885</b>	<b>395</b>	

Source: Research Service calculations from Welsh Government Supplementary Budget 2013-14

### 13. Central Services and Administration (CSA)

**Table 18** summarises changes at the spending programme area (SPA) level in the Central Services and Administration MEG.

This portfolio is largely unaffected by structural changes, although transfers have been made from the Economy, Science and Transport MEG in relation to WEFO funding, and to the Communities and Tackling Poverty MEG in relation to equalities and inclusion functions.

Changes proposed in this supplementary budget mean that in comparison to the restated Final Budget 2013-14 figures:

- There is a reduction in TME of £3.2 million, or 0.9 per cent.
- This consists of a £3.1 million (0.9 per cent) decrease in total DEL and a reduction of £83,000 (5.1 per cent) in AME.
- The change in total DEL is entirely due to a decrease of £3.1 million (1.0 per cent) in revenue DEL, there are no changes to capital DEL.

The £3.1 million reduction in revenue DEL is due to transfers between MEGs (as shown in **table 7**):

- £4.2 million transferred out from the Central Programmes SPA (*Invest to Save Fund* action) to the Natural Resources and Food MEG in relation to Invest-to-Save funding for Natural Resources Wales. £3.7 million of this is for workforce reconfiguration and £0.5 million for integration of systems and to support transitional costs;
- £0.3 million transferred out of the Central Running Costs SPA (*General Administration* action) to the Communities and Tackling Poverty MEG in relation to Community Cohesion to fund Regional Co-ordinators;
- £1.3 million transferred into the Central Programmes SPA (*International relations* action) from the Economy, Science and Transport MEG in relation to programme costs of international offices; and
- Minor transfers: £93,000 to the Information and Support Services SPA (*Tribunals* action) and £61,000 to the Delegated Running Costs SPA (*Staff Costs* action). These are below the £250,000 threshold and thus not detailed. However, as shown in **table 7**, they appear to have been transferred from the Local Government MEG.

There have also been a number of transfers between actions within the Central Services and Administration MEG, shown in [table 19](#). The net impact of these transfers on the overall MEG budget is neutral.

**Table 18: Changes to Central Services and Administration allocations**

Spending Programme Area (SPA)	2013-14 Final Budget (Nov 2012)	Structural Changes	2013-14 Final Budget Revised	2013-14 Supplementary Budget	2013-14 change from Final to Supplementary budget		2014-15 Final Budget (Nov 2012)	Structural Changes	2014-15 Final Budget Revised
	£000	£000	£000	£000	£000	Per cent	£000	£000	£000
<b>REVENUE DEL</b>									
Delegated Running Costs	195,372	0	195,372	195,433	61	0.0	195,372	0	195,372
Central Running Costs	88,616	0	88,616	88,316	-300	-0.3	88,635	0	88,635
Information & Support Services	12,508	0	12,508	13,785	1,277	10.2	12,608	0	12,608
Central Programmes	26,800	-2,845	23,955	19,803	-4,152	-17.3	29,177	-2,845	26,332
WEFO	0	1,522	1,522	1,522	0	0.0	0	1,522	1,522
<b>TOTAL REVENUE</b>	<b>323,296</b>	<b>-1,323</b>	<b>321,973</b>	<b>318,859</b>	<b>-3,114</b>	<b>-1.0</b>	<b>325,792</b>	<b>-1,323</b>	<b>324,469</b>
<b>CAPITAL DEL</b>									
Central Running Costs	9,935	0	9,935	9,935	0	0.0	9,935	0	9,935
Central Programmes	15,378	-1,500	13,878	13,878	0	0.0	15,378	-1,500	13,878
<b>TOTAL CAPITAL</b>	<b>25,313</b>	<b>-1,500</b>	<b>23,813</b>	<b>23,813</b>	<b>0</b>	<b>0.0</b>	<b>25,313</b>	<b>-1,500</b>	<b>23,813</b>
<b>AME</b>									
Central Running Costs	1,634	0	1,634	1,551	-83	-5.1	2,152	0	2,152
<b>TOTAL AME</b>	<b>1,634</b>	<b>0</b>	<b>1,634</b>	<b>1,551</b>	<b>-83</b>	<b>-5.1</b>	<b>2,152</b>	<b>0</b>	<b>2,152</b>
Revenue DEL	323,296	-1,323	321,973	318,859	-3,114	-1.0	325,792	-1,323	324,469
Capital DEL	25,313	-1,500	23,813	23,813	0	0.0	25,313	-1,500	23,813
<b>TOTAL DEL</b>	<b>348,609</b>	<b>-2,823</b>	<b>345,786</b>	<b>342,672</b>	<b>-3,114</b>	<b>-0.9</b>	<b>351,105</b>	<b>-2,823</b>	<b>348,282</b>
Annually Managed Expenditure	1,634	0	1,634	1,551	-83	-5.1	2,152	0	2,152
<b>TOTAL Central Services &amp; Administration</b>	<b>350,243</b>	<b>-2,823</b>	<b>347,420</b>	<b>344,223</b>	<b>-3,197</b>	<b>-0.9</b>	<b>353,257</b>	<b>-2,823</b>	<b>350,434</b>

Source: Research Service calculations from Welsh Government Budgets and communication with Welsh Government officials.

**Table 19: Transfers within Central Services and Administration, at action level**

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Invest to Save Fund	-1,184		National Procurement Service	1,184		To fund running costs.
Public Appointments	-210		Tribunals	210		Not detailed as less than £250,000.
<b>Total transfers</b>	<b>-1,394</b>	<b>0</b>		<b>1,394</b>	<b>0</b>	

Source: Research Service calculations from Welsh Government Supplementary Budget 2013-14