

# National Assembly for Wales

## Final Budget 2011-12 February 2011

This paper provides information on the Welsh Government's Final Budget 2011-12. It provides an overview of spending plans for 2011-12, how these compare to 2010-11, looks at cumulative changes over the budget period (to 2013-14) and how the Final Budget 2011-12 compares to the Draft Budget 2011-12.

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Enquiry no: 11/0095

## **National Assembly for Wales**

Final Budget 2011-12

February 2011

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Paper Number: 11/010



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## Summary

This paper provides information on the Welsh Government's Final Budget 2011-12, which details spending plans for 2011-12 and indicative plans up to 2013-14. It highlights changes that have been made since the draft budget proposals for 2011-12, and thus should be read in conjunction with the Members' Research Service paper [Draft Budget 2011-12](#).

The budget changes below are in absolute terms, no adjustments have been made for inflation.

- Total managed expenditure (TME) allocated to Welsh Government departments is planned to reduce by £319 million (2.1 per cent) in 2011-12 in comparison to 2010-11. In real terms this represents a reduction of £684.9 million (4.5 per cent).
- Departmental expenditure limits (DEL) allocated to Welsh Government departments is planned to reduce by £341.3 million (2.3 per cent) in 2011-12 in comparison to 2010-11. In real terms this represents a reduction of £699.3 million (4.7 per cent).
- Annually managed expenditure (AME) is planned to increase by £22.3 million (7.4 per cent) in 2011-12 in comparison to 2010-11. In real terms this represents an increase of £14.4 million (4.8 per cent).
- The Final Budget plans for total allocations to Welsh Government departments are to be £14.4 million lower than that stated in the draft budget proposals for 2011-12.
- The TME available in the Welsh block has increased by £56.8 million since the draft budget; this is due to the entire £113.5 million in revenue savings required by the UK Government being made in 2010-11.



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## 1. Spending Review 2010 and the impact on the Welsh Block

The scene was set for the Welsh Government's Budget 2011-12 by the UK Government's Spending Review 2010 (SR 2010) published on 20 October 2010.<sup>1</sup> The SR 2010 sets out departmental spending plans for the four years until 2014-15, for each UK Government department and the devolved administrations. The

SR 2010 details the Government's plans to **cut £81 billion** over the spending review period (2011-12 to 2014-15).

SR 2010 shows the figures for the Welsh block from 2010-11 (baseline year) to 2014-15. These figures are shown on the basis of departmental expenditure limits (DEL)<sup>2</sup> and annually managed expenditure (AME).<sup>3</sup> The **overall Welsh block for 2011-12 is £14.5 billion**; £13.3 billion revenue DEL and £1.3 billion capital DEL<sup>4</sup>.

Note that all real terms calculations shown in this paper have been calculated using HM Treasury's [GDP deflators](#) (as updated November 2010). The estimates used for the GDP deflator are:

- 2.5% for 2011-12;
- 2.2% for 2012-13; and
- 2.7% for 2013-14

Following the publication of the Draft Budget the GDP deflators were updated, therefore **real terms figures shown in this paper may differ from those presented in the Members' Research Paper [Draft Budget 2011-12](#), as this used earlier estimates.**

For reference, the previous estimates were 1.9% for 2011-12; 2.3% for 2012-13; and 2.6% for 2013-14.

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<sup>1</sup> HM Treasury, [Spending Review 2010](#), October 2010 [accessed 3 February 2011]

<sup>2</sup> **Departmental expenditure limits (DEL)** - total spending limits for Government departments over a fixed period of time, excluding demand led and exceptionally volatile items. DELs are planned and set at Spending Reviews. This is split between resource and capital budgets. Most of the DEL is unhypothecated and allows the Welsh Government full discretion over its spending priorities (known as the 'assigned' budget).

<sup>3</sup> **Annually managed expenditure (AME)** - generally less predictable and controllable than expenditure in DEL and therefore not subject to firm multi-year limits, rather it is negotiated with HM Treasury on an annual basis. AME is demand led and must 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.

<sup>4</sup> Figures in the SR 2010 are rounded to £0.1 billion, hence figures may not add. These reflect the published figures in the SR 2010 document.

In comparison to 2010-11<sup>5</sup> the Welsh block for 2011-12 is:

- Reduced by £0.5 billion (3.3%) in cash terms.
- In real terms, this equates to an overall reduction of £0.9 billion (5.7%).
- Within the total DEL, revenue DEL is maintained at the same level, representing a 2.4% reduction in real terms, and capital DEL is reduced by £0.4 billion, or 25.4% in real terms.

Over the course of the spending review period the Welsh block will see:

- A £0.4 billion (2.7%) overall reduction in cash terms.
- In real terms this equates to a £2 billion (11.9%) reduction overall.

The Secretary of State for Wales (Cheryl Gillan) said of the spending review:

No part of the UK can be immune from our share of the cuts made necessary by the deficit we inherited from the last Government, but this is a fair funding settlement for Wales. The Welsh Assembly Government is facing smaller cuts than most UK Government departments but, like everywhere else, tough decisions will have to be faced in Cardiff Bay. In the continued spirit of respect and partnership between our governments, I am committed to working the First Minister and Deputy First Minister to try to protect frontline services in Wales. I also welcome the reserved infrastructure projects announcement which will help support the Welsh economy and will be important for Wales's future growth.<sup>6</sup>

In response to the spending review the Minister for Business and Budget (Jane Hutt) stated:

The Spending Review means that Wales will receive the biggest cuts in its budget in at least a generation, and bigger than the reduction in any of the other devolved administration's budgets.

...by 2014-15 our capital budget will be lower in real terms than at any stage since the 1980s. The budget is slashed in the first year by more than 25% in real terms. This risks doing major damage to the economic recovery in Wales.

Overall our budget is facing a reduction of 0.8% per year in cash terms, or 3.1% per year in real terms. This means that by 2014-15 our budget will be 12% lower in real terms than this year.

The UK Government's decision to ignore the case for tacking underfunding in Wales contrasts with the approach to Scotland and Northern Ireland. Both of the other Devolved Administrations have received additional resources from the UK Government on top of their settlements.<sup>7</sup>

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<sup>5</sup> The 2010-11 baseline used by HM Treasury excludes one-off and time-limited expenditure and assumes that the Welsh Government defers 50 per cent of the cuts required for 2010-11 to 2011-12 as detailed in May 2010. For further details of these cuts, see Members' Research Service Quick Guide: [Impact of UK Spending Reductions on Wales](#) (May 2010)

<sup>6</sup> HM Treasury, [Spending Review 2010 Press Notices](#), Wales, 20 October 2010 [accessed 3 February 2011]

<sup>7</sup> Welsh Assembly Government, Jane Hutt (Minister for Business and Budget), [The UK Government's Spending Review of 20 October 2010](#), Cabinet Written Statement, 21 October 2010. [accessed 3 February 2011]

## 2. Final Budget 2011-12

The Final Budget Motion 2011-12<sup>8</sup> was laid by the Minister for Business and Budget (Jane Hutt AM) on 1 February 2011. The Minister also issued a written statement to introduce the motion.<sup>9</sup> The budget motion was accompanied by a narrative document<sup>10</sup> providing additional information on spending plans at the spending programme area (SPA) level<sup>11</sup> and summary tables of the main expenditure group allocations.<sup>12</sup>

The Final Budget 2011-12 sets out the Welsh Government's spending plans for the financial year 2011-12, and details indicative plans for the years 2012-13 and 2013-14.

In the narrative document accompanying the Final Budget, it is stated that:

...our key stakeholders have welcomed the approach taken by the Assembly Government and this endorsement of our proposals has resulted in no material changes to our spending plans between Draft and Final Budget.

...in preparing the Final Budget we have sought to reflect only substantial changes between Draft and Final Budget. The types of changes we have reflected include reallocations between MEGs to reflect our priorities, reallocations within MEGs to better deliver our priorities, adjustments to non-cash allocations to reflect forecast pressures and adjustments<sup>13</sup>

### 2.1. *Transfers and movements on reserves*

Since the draft budget, there have been a number of transfers between and within main expenditure groups (MEGs) and reserves.

A number of these transfers relate to non-cash, and are the result of a review of non-cash<sup>14</sup> budgets undertaken in January by the Welsh Government. The narrative document accompanying the Final Budget states that this review focused on 'the historic distribution of non-cash resources, the current pattern of need and the future outlook for non-cash risks and pressures'.<sup>15</sup> As a result of this review some MEGs have had their non-cash budgets adjusted.

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<sup>8</sup> Welsh Government, [Annual Budget Motion 2011-12](#), 1 February 2011 [accessed 3 February 2011]

<sup>9</sup> Welsh Government, Jane Hutt (Minister for Business and Budget), [Final Budget 2011-12](#), Cabinet Written Statement, 1 February 2011 [accessed 3 February 2011]

<sup>10</sup> Welsh Government, [Final Budget 2011-12](#), 1 February 2011 [accessed 3 February 2011]

<sup>11</sup> The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. **Main expenditure groups (MEGs)** 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**.

<sup>12</sup> Welsh Government, [Final Budget 2011-12 main expenditure group allocations](#), 1 February 2011 [accessed 3 February 2011]

<sup>13</sup> Welsh Government, [Final Budget 2011-12](#), 1 February 2011 [accessed 3 February 2011]

<sup>14</sup> **Non-cash** – items included in budgets to ensure that the budget reflects the full economic cost of activities, even though there is not a direct link to cash flow in the relevant period. These items will either never require a cash payment as such, or will only ever give rise to cash payments years into the future (e.g. provisions). Costs where there is no cash transaction but which are included in accounts to establish the true cost of all resources used.

<sup>15</sup> Welsh Government, [Final Budget 2011-12](#), 1 February 2011 [accessed 3 February 2011]

[Table 1](#) shows the transfers between/within MEGs and reserves for the financial year 2011-12.

From this it can be seen that the revenue reserve has increased from £164.1 million at the time of the draft budget, to £178.7 million. This is the result of a net increase of £14.5 million as a result of transfers from MEGs. There have been no movements on the capital reserve since the draft budget, and it remains at £50.4 million.

**Table 1: Transfers between/within MEGs and revenue reserves in 2011-12**

| From   | Amount (£000s) | To   | Amount (£000s) | Nature             | Description  |
|--|----------------|--|----------------|--------------------|--|
| Revenue Reserve  | -16,444        | HSS: NHS Delivery SPA/action   | 16,444         | Revenue (non cash) | Non cash transfer in respect of NHS depreciation   |
| HSS: Social Services SPA: Children's Social Services action  | -2,637         | SJLG: Local Government Funding SPA: Funding Support for Local Government action  | 2,637          | Revenue            | Relating to Children's Court fees  |
| HSS: Social Services SPA: Children's Social Services action  | -2,500         | SJLG: Local Government Funding SPA: Funding Support for Local Government action  | 2,500          | Revenue            | Relating to Children and Young Persons Act 2008  |
| HSS: Social Services SPA; Social Services Strategy action  | -3,000         | SJLG: Local Government Funding SPA: Funding Support for Local Government action  | 3,000          | Revenue            | For the Performance Management Development Fund  |
| CSA: Staff Costs and Salaries SPA: Staff Costs action  | -9,716         | HSS: CAF/CASS Cymru SPA: CAF/CASS Cymru Programmes action  | 9,716          | Revenue            | Running costs for CAF/CASS   |
| SJLG: Local Government Funding SPA: Funding Support for Local Government action  | -6,600         | Revenue Reserve  | 6,600          | Revenue            | Relating to a technical adjustment in the funding of the Business Rates Relief Scheme  |
| ET: Improve Domestic Connectivity (regional & National) SPA: Improve and Maintain Trunk Road Network (Domestic Routes) - non cash action | -30,355        | Revenue Reserve  | 30,355         | Revenue (non cash) | Relating to non cash adjustments.  |
| ET: Improve International Connectivity SPA: Improve international Connectivity non cash action   | -31,194        | Revenue Reserve  | 31,194         | Revenue (non cash) | Relating to non cash adjustments.  |
| CELLS: Children, Young People and School Effectiveness SPA: School Leadership and Effectiveness action                                   | -2,300         | CELLS: Children, Young People and School Effectiveness SPA: Children and Young People's Strategy action                | 2,300          | Revenue            | Relating to the Childcare element of Community Focused Schools Grant to Cymorth and Families First following the establishment of the new School Effectiveness Grant |
| CELLS: Children, Young People and School Effectiveness SPA: School Leadership and Effectiveness action                                   | -2,280         | CELLS: Qualification, Curriculum and Learning Improvement SPA: Welsh Language Development action                       | 2,280          | Revenue            | Relating to increased support for the Welsh-medium Education Strategy  |
| CELLS: Children, Young People and School Effectiveness SPA: Support for Learners action  | -1,000         | CELLS: Children, Young People and School Effectiveness SPA: School Leadership and Effectiveness action                 | 1,000          | Revenue            | Relating to the establishment of the School Effectiveness Grant  |
| Revenue Reserve  | -37,868        | CELLS: Business Improvement and Resource investment SPA: Student Finance and Funding action                            | 37,868         | Revenue (non cash) | Non cash adjustment for pressure on student finance provision  |
| Revenue Reserve  | -242           | RA: Welsh Food, Fish and Drink Industry SPA: Developing, managing and enforcing Welsh Fisheries and aquaculture action | 242            | Revenue (non cash) | Relating to non cash adjustments   |
| CSA: Staff Costs and Salaries SPA: Staff Costs action  | -6,197         | HER: Conserve, protect, sustain and promote access to the historic environment action                                  | 6,197          | Revenue            | Relating to Cadw's departmental running costs  |
| Reserves   | -6             | HER: Conserve, protect, sustain and promote access to the historic environment action                                  | 6              | Revenue (non cash) | Reflecting revised non cash costs  |
| HER: Support and sustain a strong arts sector via the Arts Council and others SPA/action   | -20            | Revenue Reserve  | 20             | Revenue (non cash) | Reflecting revised non cash costs  |
| HER: Museums, Archives and Libraries SPA: Foster Useage and Lifelong Learning through Museum Services action                             | -347           | Revenue Reserve  | 347            | Revenue (non cash) | Reflecting revised non cash costs  |
| HER: Museums, Archives and Libraries SPA: Foster Useage and Lifelong Learning through Library Services action                            | -450           | Revenue Reserve  | 450            | Revenue (non cash) | Reflecting revised non cash costs  |
| CSA: Other Central Administration Costs SPA: International Relations action  | -755           | CSA: Other Central Administration Costs SPA: International Development action  | 755            | Revenue            | Internal transfer  |
| Public Services Ombudsman for Wales  | -108           | Revenue Reserve  | 108            |                    | Reflecting a reduction in the Ombudsman's estimates.   |

Source: Welsh Government, Final Budget 2011-12

## 2.2. Impact of UK Government spending cuts

In May 2010 the UK Government announced their intention to reduce spending by £6.2 billion during 2010-11.<sup>16</sup> The Welsh Government, along with other devolved administrations, was given the option of deferring their share of these reductions until 2011-12. In a statement in July 2010,<sup>17</sup> the Minister for Business and Budget (Jane Hutt AM) clarified that the full amount of the reduction imposed upon Wales as a result of the cuts would be £162 million (£113 million revenue and £49 million capital). The statement also said:

...we have decided to take as much as we can of the 2010-11 budget reductions this year **but** we are doing this without taking money from our key policy priorities and especially without taking risks with the fragile economic recovery.<sup>18</sup>

The statement detailed the intention of the Welsh Government to find the full capital reduction of £49 million in 2010-11, by using end year flexibility<sup>19</sup> stocks.

At the time of the draft budget, the assumption was made that only 50 per cent of the £113.5 million revenue reduction would be made in 2010-11, and that the remainder would be found in 2011-12. However, the Final Budget confirms that the Welsh Government have taken the entire £113.5 million revenue reduction in the 2010-11 financial year.<sup>20</sup> This means that there is an additional £56.8 million revenue available in the final budget as compared to the draft budget.

The Final Budget narrative document states that:

...we have taken the decision to use the additional £56.77 million freed up by our careful management to reduce the impact of capital budget reductions in 2011-12. This will be held in Reserves initially and allocated in-year.<sup>21</sup>

However, it can be seen from the budget documentation and the following tables that the £56.8 million has **not** been allocated to the Reserves. Rather it is held outside the Reserve as '*DEL adjustments from in year savings*'.

The details of the £162 million reductions to be made in 2010-11 are expected to be detailed in the Supplementary Budget 2010-11, to be published on 8 February 2011.

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<sup>16</sup> HM Treasury, [Reducing the Government deficit](#), 24 May 2010 [accessed 3 February 2011]

<sup>17</sup> Welsh Government, Jane Hutt (Minister for Business and Budget), [In year spending](#), Cabinet Oral Statement, 13 July 2010 [accessed 3 February 2011]

<sup>18</sup> Welsh Government, Jane Hutt (Minister for Business and Budget), [In year spending](#), Cabinet Oral Statement, 13 July 2010 [accessed 3 February 2011]

<sup>19</sup> End year flexibility (EYF) – mechanism to carry over unspent DEL provision from one year into future years. For further information see the Members' Research Service Quick Guide: [End year flexibility](#). [accessed 3 February 2011]

<sup>20</sup> Welsh Government, [Final Budget 2011-12](#), 1 February 2011 page 3 [accessed 3 February 2011]

<sup>21</sup> Welsh Government, [Final Budget 2011-12](#), 1 February 2011 page 3 [accessed 3 February 2011]

### 2.3. Transitional Support Fund

The narrative document accompanying the Final Budget states that the Welsh Government have established a Transitional Support Fund. This is intended to enable the transition to more efficient and innovative service delivery. Allocations to the Fund are stated to be £14 million in 2011-12, rising to £40 million in each of the financial years 2012-13 and 2013-14.

There is no corresponding entry in the budget relating to this, as the funds are currently held in revenue reserves, to be allocated in year, presumably through supplementary budgets.

## 3. Overview of the Welsh block

Schedule 6 of the Annual Budget Motion<sup>22</sup> shows the resources made available by HM Treasury for the Welsh block, this is summarised in [table 2](#). This shows the total Welsh block for 2011-12 as **£15.354 billion**. This is £56 million higher than that stated at the time of the draft budget.

**Table 2: Resources made available by HM Treasury for the Welsh block for 2011-12**

|              | DEL           | AME        | <i>£ millions</i><br>Total |
|--------------|---------------|------------|----------------------------|
| Revenue      | 13,762        | 106        | 13,868                     |
| Capital      | 1,268         | 218        | 1,486                      |
| <b>Total</b> | <b>15,031</b> | <b>323</b> | <b>15,354</b>              |

Source: Schedule 6 of Welsh Government's Annual Budget Motion 2011-12.

[Table 3](#) shows total managed expenditure (TME)<sup>23</sup> within the Welsh block (i.e. allocations to Welsh Government departments, plus provision for the Assembly Commission, Auditor General, Public Services Ombudsman and reserves).

**It should be noted that the figures quoted by the Welsh Government for the 2010-11 baseline are taken from the Supplementary Budget 2010-11 as laid before the National Assembly in June 2010, adjusted to remove non-recurrent in year allocations.**

<sup>22</sup> Welsh Government, [Annual Budget Motion 2011-12](#), 1 February 2011 [accessed 3 February 2011]

<sup>23</sup> **Total managed expenditure (TME)** represents revenue and capital spending of the public sector and consists of departmental expenditure limits (DEL) and annually managed expenditure (AME).

The TME within the Welsh Block for 2011-12 is £15.3 billion, representing a decrease of £484.8 million (3.1%) on that for 2010-11. In real terms this represents a reduction of £859.1 million (5.4%).

Over the years 2010-11 to 2013-14 there is an overall decrease of £454.7 million (2.9%) in TME in the Welsh block; in real terms this represents a £1.5 billion (9.7%) reduction.

In comparison to the draft budget, TME in the Welsh block has increased by £56.8 million in 2011-12. This is as a result of finding the full £113.5 million revenue savings required by the UK Government in the 2010-11 financial year (as detailed in [section 2.2](#)).



**Table 3: TME in the Welsh block**

| Main Expenditure Group                        | 2010-11           | 2011-12           | 2011-12           | Change 2011-12 Draft |             | Change 2010-11 to 11- |                    | Real terms change  |                    | Cumulative change  |                    | Real terms         |                    |
|---|-------------------|-------------------|-------------------|----------------------|-------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Supplementary     | Draft             | Final             | Budget to Final      | 12          | 2010-11 to 2011-12    | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2011-12 |
|   | £000              | £000              | £000              | £000                 | per cent    | £000                  | per cent           | £000               | per cent           | £000               | per cent           | £000               | per cent           |
| <b>Total Welsh Government TME Allocations</b> | <b>15,321,636</b> | <b>15,017,082</b> | <b>15,002,676</b> | <b>-14,406</b>       | <b>-0.1</b> | <b>-318,960</b>       | <b>-2.1</b>        | <b>-684,879</b>    | <b>-4.5</b>        | <b>-382,614</b>    | <b>-2.5</b>        | <b>-1,435,642</b>  | <b>-9.4</b>        |
| Revenue Reserves                              | 187,219           | 164,148           | 178,662           | 14,514               | 8.8         | -8,557                | -4.6               | -12,915            | -6.9               | 145,666            | 77.8               | 122,201            | 65.3               |
| Capital reserves                              | 266,619           | 50,448            | 50,448            | 0                    | 0.0         | -216,171              | -81.1              | -217,401           | -81.5              | -216,170           | -81.1              | -219,726           | -82.4              |
| Assembly Commission                           | 46,227            | 48,822            | 48,822            | 0                    | 0.0         | 2,595                 | 5.6                | 1,404              | 3.0                | -1,206             | -2.6               | -4,379             | -9.5               |
| Auditor General for Wales                     | 5,047             | 4,853             | 4,853             | 0                    | 0.0         | -194                  | -3.8               | -312               | -6.2               | -194               | -3.8               | -536               | -10.6              |
| Public Services Ombudsman for Wales           | 4,166             | 3,962             | 3,854             | -108                 | -2.7        | -312                  | -7.5               | -406               | -9.7               | -206               | -4.9               | -485               | -11.6              |
| Direct Charges                                | 675               | 675               | 675               | 0                    | 0.0         | 0                     | 0.0                | -16                | -2.4               | 0                  | 0.0                | -48                | -7.0               |
| DEL adjustments from in year savings          |                   |                   | 56,770            | 56,770               | ..          | 56,770                | ..                 | 55,385             | ..                 | 0                  | ..                 | 0                  | ..                 |
| <b>Total Wales TME</b>                        | <b>15,831,589</b> | <b>15,289,990</b> | <b>15,346,760</b> | <b>56,770</b>        | <b>0.4</b>  | <b>-484,829</b>       | <b>-3.1</b>        | <b>-859,140</b>    | <b>-5.4</b>        | <b>-454,724</b>    | <b>-2.9</b>        | <b>-1,538,615</b>  | <b>-9.7</b>        |

Source: Members' Research Service calculations from Welsh Government budgets

The figures for 2010-11 revenue and capital reserves do not match those published in the Welsh Government's budget documentation. This is because the published figures have not been re-stated in the same way as all other 2010-11 baseline figures. The figures shown here have been re-stated to adjust reserves back to the level prior to the July Supplementary budget 2010-11, in line with restatements of non-recurrent in-year allocations made to the 2010-11 baseline, and were obtained from the Welsh Government. However, this means that caution should be exercised in making year on year comparisons between reserves.

## 4. Overview of Welsh Government departmental allocations

As can be seen from [table 3](#) the TME allocated to the Welsh Government departments (i.e. provision for the main expenditure groups) for 2011-12 is £15 billion, 98 per cent of the total Welsh block.

In comparison to 2010-11 this represents a decrease of £319 million (2.1%). In real terms this represents a £684.8 million (4.5%) decrease.

Over the years 2010-11 to 2013-14 there is an overall decrease of £382.6 million (2.5%) in TME allocated to Welsh Government departments; in real terms this represents a £1.4 billion (9.4%) reduction.

In comparison to the draft budget, TME allocated to Welsh Government departments is £14.4 million (0.1%) lower in 2011-12. This is mainly due to transfers from departments into reserves in respect of non-cash adjustments (as detailed in section 2.1).

### 4.1. Total DEL

[Table 4](#) shows the total DEL (revenue plus capital) allocated to Welsh Government departments and changes since the draft budget. From this it can be seen that:

- Total DEL within the Final Budget is £14.7 billion, representing a £341.3 million (2.3%) decrease on 2010-11. In real terms this represents a decrease of £699.3 million (4.7%).
- Over the budget period there is a cumulative<sup>24</sup> reduction of £429.7 million (2.9%); representing a real terms reduction of £1.5 billion (9.7%).
- In comparison to draft budget, total DEL is £14.4 million (0.1%) lower in 2011-12.

[Figure 1](#) shows the total DEL allocations between the main expenditure groups over the period covered by the budget (to 2013-14).

[Figure 2](#) shows the year on year percentage changes in the main expenditure groups total DEL plotted against the overall total DEL change (2.3% reduction) across all portfolios. From this it can be seen that only the Health and Social Services; Children, Education, Lifelong Learning and Skills, Social Justice and Local Government and Heritage portfolios have seen reductions of a smaller scale than the overall change across all portfolios. The greatest percentage reduction in total DEL can be seen in Economy and Transport. Most of these changes are due to transfers

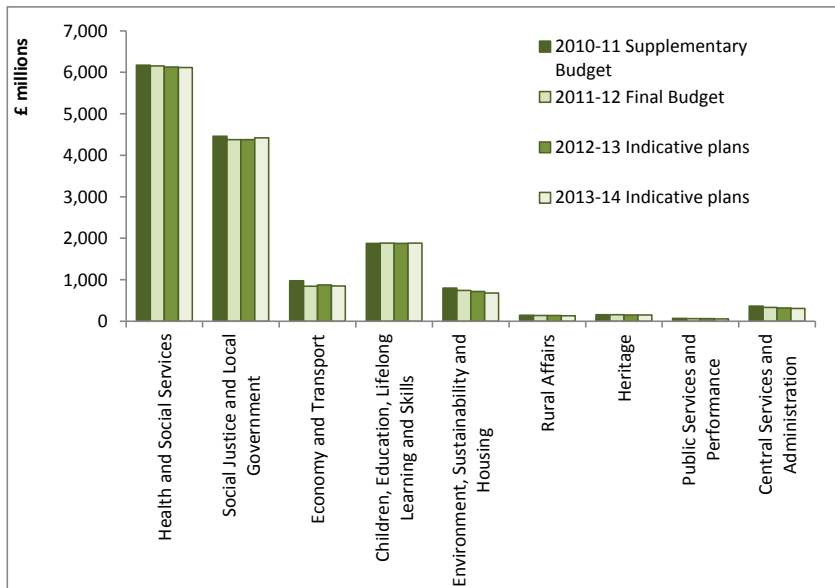
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<sup>24</sup> The cumulative reduction is defined as the difference between allocations in 2010-11 and 2013-14.

as detailed in [table 1](#). Further details can be found in later sections for each portfolio.

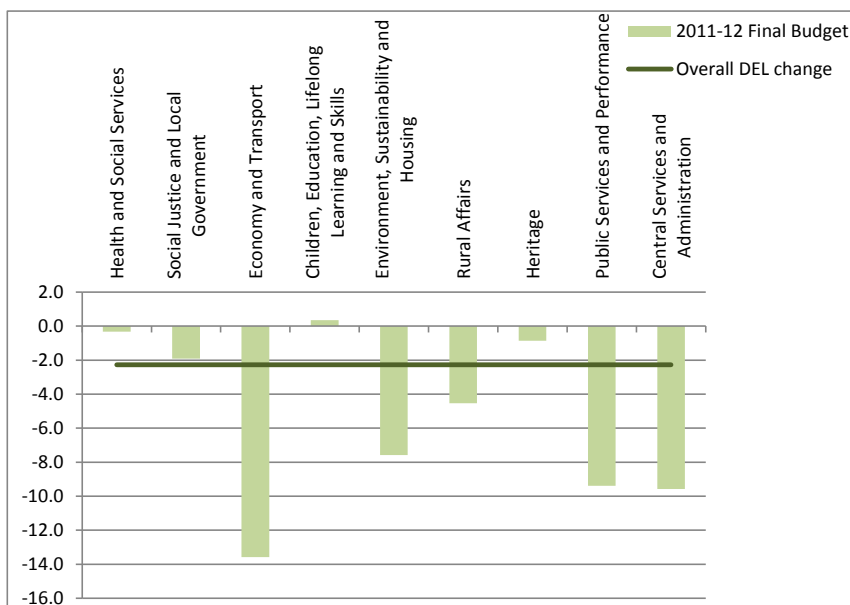
[Table 5](#) shows the proportion of the total DEL allocated to each main expenditure group and changes since the draft budget. This demonstrates that Health and Social Services is the portfolio with the largest allocation, representing 42 per cent of total DEL, followed by Social Justice and Local Government with 30 per cent, Children, Education, Lifelong Learning and Skills with 13 per cent and Economy and Transport with 6 per cent.

**Figure 1: Total DEL by portfolio in cash terms, 2010-11 to 2013-14**



Source: Members' Research Service calculations from Welsh Government budgets

**Figure 2: Percentage change in total DEL by portfolio in cash terms**



Source: Members' Research Service calculations from Welsh Government budgets

**Table 4: Total DEL allocated to Welsh Government departments**

| Main Expenditure Group                            | 2010-11           | 2011-12           | 2011-12           | Change 2011-12 Draft |             | Change 2010-11 to 11- |                    | Real terms change  |                    | Cumulative change  |                    | Real terms        |             |
|---|-------------------|-------------------|-------------------|----------------------|-------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------|
|   | Supplementary     | Draft             | Final             | Budget to Final      | 12          | 2010-11 to 2011-12    | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |                   |             |
|   | £000              | £000              | £000              | £000                 | per cent    | £000                  | per cent           | £000               | per cent           | £000               | per cent           | £000              | per cent    |
| Health and Social Services                        | 6,170,809         | 6,132,587         | 6,150,610         | 18,023               | 0.3         | -20,199               | -0.3               | -170,214           | -2.8               | -52,642            | -0.9               | -483,902          | -7.8        |
| Social Justice and Local Government               | 4,459,941         | 4,373,218         | 4,374,755         | 1,537                | 0.0         | -85,186               | -1.9               | -191,887           | -4.3               | -40,855            | -0.9               | -352,349          | -7.9        |
| Economy and Transport                             | 973,730           | 903,042           | 841,493           | -61,549              | -6.8        | -132,237              | -13.6              | -152,761           | -15.7              | -126,810           | -13.0              | -186,508          | -19.2       |
| Children, Education, Lifelong Learning and Skills | 1,878,043         | 1,846,817         | 1,884,685         | 37,868               | 2.1         | 6,642                 | 0.4                | -39,326            | -2.1               | 3,845              | 0.2                | -128,806          | -6.9        |
| Environment, Sustainability and Housing           | 801,743           | 740,953           | 740,953           | 0                    | 0.0         | -60,790               | -7.6               | -78,862            | -9.8               | -123,618           | -15.4              | -171,418          | -21.4       |
| Rural Affairs                                     | 143,289           | 136,556           | 136,798           | 242                  | 0.2         | -6,491                | -4.5               | -9,828             | -6.9               | -9,153             | -6.4               | -18,608           | -13.0       |
| Heritage  | 157,584           | 150,850           | 156,236           | 5,386                | 3.6         | -1,348                | -0.9               | -5,159             | -3.3               | -5,786             | -3.7               | -16,486           | -10.5       |
| Public Services and Performance                   | 70,393            | 63,782            | 63,782            | 0                    | 0.0         | -6,611                | -9.4               | -8,167             | -11.6              | -13,344            | -19.0              | -17,365           | -24.7       |
| Central Services and Administration               | 365,621           | 346,499           | 330,586           | -15,913              | -4.6        | -35,035               | -9.6               | -43,098            | -11.8              | -61,289            | -16.8              | -82,741           | -22.6       |
| <b>Total Welsh Government DEL Allocations</b>     | <b>15,021,153</b> | <b>14,694,304</b> | <b>14,679,898</b> | <b>-14,406</b>       | <b>-0.1</b> | <b>-341,255</b>       | <b>-2.3</b>        | <b>-699,301</b>    | <b>-4.7</b>        | <b>-429,652</b>    | <b>-2.9</b>        | <b>-1,458,184</b> | <b>-9.7</b> |

Source: Members' Research Service calculations from Welsh Government budgets

**Table 5: Proportion of total DEL allocation to each main expenditure group**

| Main Expenditure Group                          | Percentage of total DEL allocations |              |              |              |
|---|-------------------------------------|--------------|--------------|--------------|
|   | 2010-11                             | 2011-12      | 2012-13      | 2013-14      |
| Health & Social Services                        | 41.1                                | 41.9         | 41.9         | 41.9         |
| Social Justice & Local Government               | 29.7                                | 29.8         | 29.9         | 30.3         |
| Economy & Transport                             | 6.5                                 | 5.7          | 6.0          | 5.8          |
| Children, Education, Lifelong Learning & Skills | 12.5                                | 12.8         | 12.8         | 12.9         |
| Environment, Sustainability & Housing           | 5.3                                 | 5.0          | 4.9          | 4.6          |
| Rural Affairs                                   | 1.0                                 | 0.9          | 0.9          | 0.9          |
| Heritage  | 1.0                                 | 1.1          | 1.0          | 1.0          |
| Public Services & Performance                   | 0.5                                 | 0.4          | 0.4          | 0.4          |
| Central Services & Administration               | 2.4                                 | 2.3          | 2.2          | 2.1          |
| <b>Total Welsh Government DEL Allocations</b>   | <b>100.0</b>                        | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Source: Members' Research Service calculations from Welsh Government budgets

## 4.2. Revenue DEL

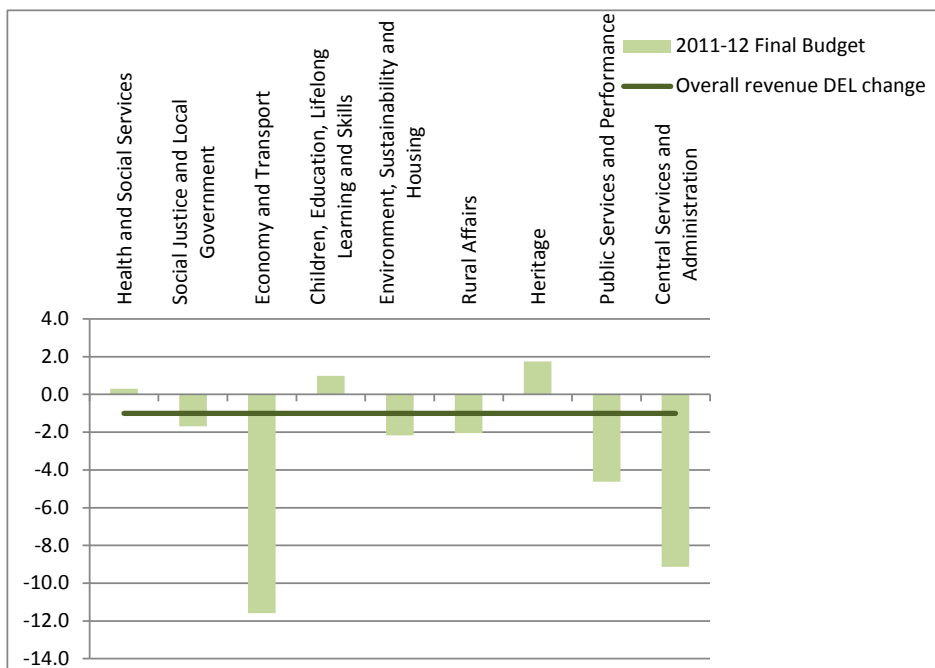
[Table 6](#) shows revenue DEL allocated to Welsh Government departments and changes since the draft budget. From this it can be seen that:

- Revenue DEL within the Final Budget is £13.5 billion, representing a £151.6 million (1.1%) reduction on 2010-11. In real terms this represents a decrease of £479.9 million (3.5%)
- Over the budget period there is a cumulative reduction of £37.1 million (0.3%); representing a real terms reduction of £994.2 million (7.3%)
- In comparison to the draft budget, revenue DEL allocated to Welsh Government departments is £14.4 million (0.1%) lower in 2011-12.
- The largest percentage increase in 2011-12 is to the Heritage portfolio which will increase by £2.4 million or 1.7%; although this represents a £1 million or 0.7% reduction in real terms. This is due to a number of transfers, as detailed in [table 1](#) and [section 11](#).
- The largest percentage reduction in 2011-12 is to the Economy and Transport portfolio which will decrease by £69.2 million or 11.6%; representing an £82.1 million or 13.7% reduction in real terms.
- The largest cash increase in 2011-12 is to the Health and Social Services portfolio which will increase by £18.0 million or 0.3%; although this represents a reduction of £125.5 million or 2.1% in real terms.

- The largest cash reduction in 2011-12 is to the Social Justice and Local Government portfolio which will decrease by £74.4 million or 1.7%; representing a £180.1 million or 4.1% reduction in real terms.
- The greatest change since the draft budget, in both cash and percentage terms, is seen in the Economy and Transport portfolio. This has seen a reduction of £61.5 million, or 10.4% in 2011-12 as compared with the draft budget proposals. This is due to transfers as detailed in [table 1](#) and [section 7](#).

[Figure 3](#) shows the year on year percentage changes in the main expenditure groups' revenue DEL, plotted against the overall revenue DEL change (1.1 per cent reduction) across all portfolios. From this it can be seen that only the Health and Social Services, Children, Education, Lifelong Learning and Skills, and Heritage portfolios have seen increases in allocations, all other portfolios have seen reductions greater than the overall change. The greatest percentage reduction in revenue budget can be seen in Economy and Transport.

**Figure 3: Percentage change in revenue DEL by portfolio in cash terms**



Source: Members' Research Service calculations from Welsh Government budgets

**Table 6: Revenue DEL allocated to Welsh Government departments**

| Main Expenditure Group                                | 2010-11           | 2011-12           | 2011-12           | Change 2011-12 Draft |             | Change 2010-11 to 11- |             | Real terms change  |             | Cumulative change  |             | Real terms         |             |
|---|-------------------|-------------------|-------------------|----------------------|-------------|-----------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|   | Supplementary     | Draft             | Final             | Budget to Final      | per cent    | 12                    | per cent    | 2010-11 to 2011-12 | per cent    | 2010-11 to 2013-14 | per cent    | 2010-11 to 2013-14 | per cent    |
|   | £000              | £000              | £000              | £000                 | per cent    | £000                  | per cent    | £000               | per cent    | £000               | per cent    | £000               | per cent    |
| <b>Revenue DEL</b>                                    |                   |                   |                   |                      |             |                       |             |                    |             |                    |             |                    |             |
| Health and Social Services                            | 5,867,797         | 5,867,797         | 5,885,820         | 18,023               | 0.3         | 18,023                | 0.3         | -125,534           | -2.1        | 30,820             | 0.5         | -384,964           | -6.6        |
| Social Justice and Local Government                   | 4,406,846         | 4,330,899         | 4,332,436         | 1,537                | 0.0         | -74,410               | -1.7        | -180,079           | -4.1        | -22,849            | -0.5        | -331,870           | -7.5        |
| Economy and Transport                                 | 597,490           | 589,848           | 528,299           | -61,549              | -10.4       | -69,191               | -11.6       | -82,076            | -13.7       | -10,253            | -1.7        | -51,646            | -8.6        |
| Children, Education, Lifelong Learning and Skills     | 1,694,551         | 1,673,464         | 1,711,332         | 37,868               | 2.3         | 16,781                | 1.0         | -24,959            | -1.5        | 43,603             | 2.6         | -78,917            | -4.7        |
| Environment, Sustainability and Housing               | 383,750           | 375,409           | 375,409           | 0                    | 0.0         | -8,341                | -2.2        | -17,497            | -4.6        | -12,700            | -3.3        | -38,855            | -10.1       |
| Rural Affairs   | 126,560           | 123,722           | 123,964           | 242                  | 0.2         | -2,596                | -2.1        | -5,620             | -4.4        | -3,980             | -3.1        | -12,620            | -10.0       |
| Heritage  | 138,962           | 136,007           | 141,393           | 5,386                | 4.0         | 2,431                 | 1.7         | -1,018             | -0.7        | 529                | 0.4         | -9,304             | -6.7        |
| Public Services and Performance                       | 48,968            | 46,705            | 46,705            | 0                    | 0.0         | -2,263                | -4.6        | -3,402             | -6.9        | -6,078             | -12.4       | -9,101             | -18.6       |
| Central Services and Administration                   | 350,588           | 334,517           | 318,604           | -15,913              | -4.8        | -31,984               | -9.1        | -39,755            | -11.3       | -56,191            | -16.0       | -76,943            | -21.9       |
| <b>Total Welsh Government Revenue DEL Allocations</b> | <b>13,615,512</b> | <b>13,478,368</b> | <b>13,463,962</b> | <b>-14,406</b>       | <b>-0.1</b> | <b>-151,550</b>       | <b>-1.1</b> | <b>-479,939</b>    | <b>-3.5</b> | <b>-37,099</b>     | <b>-0.3</b> | <b>-994,220</b>    | <b>-7.3</b> |

Source: Members' Research Service calculations from Welsh Government budgets

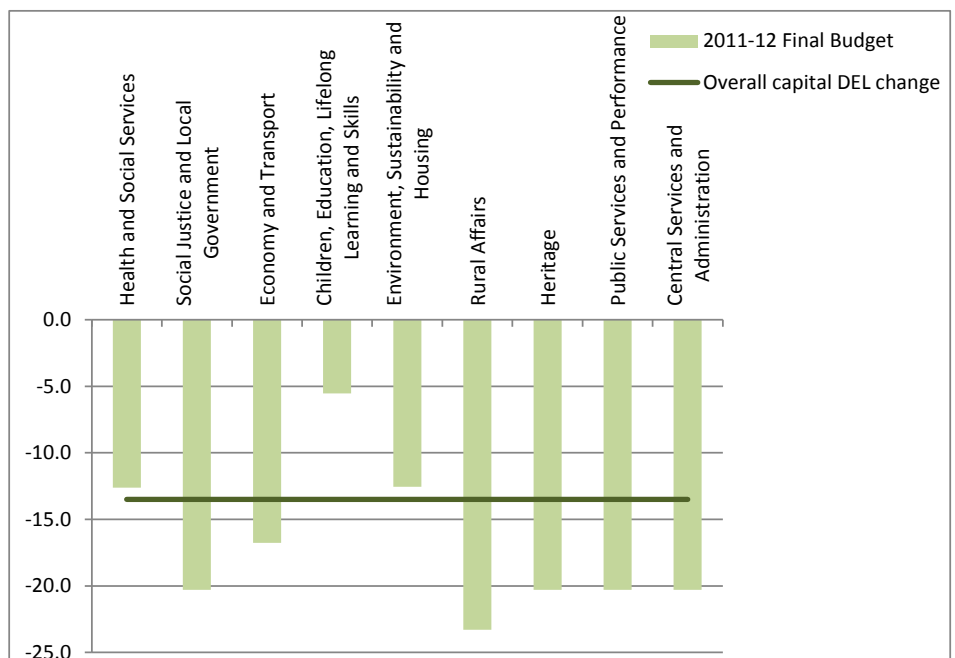
### 4.3. Capital DEL

[Table 7](#) shows the capital DEL allocated to Welsh Government departments and changes since the draft budget. From this it can be seen that:

- Capital DEL within the Final Budget is £1.2 billion, representing a £189.7 million (13.5%) reduction on 2010-11. In real terms this represents a decrease of £219.4 million (15.6%)
- Over the budget period there is a cumulative reduction of £392.6 million (27.9%); representing a real terms reduction of £464.0 million (33.0%)
- In comparison to the draft budget, there has been no overall change in capital DEL allocated to Welsh Government departments in 2011-12.
- No portfolio has received an increase in capital DEL in 2011-12 as compared with 2010-11.
- The largest percentage reduction in 2011-12 is to the Rural Affairs portfolio which will decrease by £3.9 million or 23.3%; representing a £4.2 million or 25.2% reduction in real terms.
- The largest cash reduction in 2011-12 is to the Economy and Transport portfolio which will decrease by £63.0 million or 16.8%; representing a £70.7 million or 18.8% reduction in real terms.

[Figure 4](#) shows the year on year percentage changes in the main expenditure groups' capital DEL, plotted against the overall capital DEL change (13.5% reduction) across all portfolios. From this it can be seen that: Health and Social Services; Children, Education, Lifelong Learning and Skills; and Environment, Sustainability and Housing portfolios have seen reductions of a smaller scale than the overall change across all portfolios. The Rural Affairs portfolio has seen the greatest percentage reduction in its capital budget.

**Figure 4: Percentage change in capital DEL by portfolio in cash terms**



Source: Members' Research Service calculations from Welsh Government budgets



**Table 7: Capital DEL allocated to Welsh Government departments**

| Main Expenditure Group                                | 2010-11          | 2011-12          | 2011-12          | Change 2011-12 Draft |                 | Change 2010-11 to 11- |              | Real terms change  |                    | Cumulative change  |                    | Real terms         |                    |
|---|------------------|------------------|------------------|----------------------|-----------------|-----------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Supplementary    | Draft            | Final            | Budget to Final      | Budget to Final | 11-12                 | 11-12        | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |
|   | £000             | £000             | £000             | £000                 | per cent        | £000                  | per cent     | £000               | per cent           | £000               | per cent           | £000               | per cent           |
| <b>Capital DEL</b>                                    |                  |                  |                  |                      |                 |                       |              |                    |                    |                    |                    |                    |                    |
| Health and Social Services                            | 303,012          | 264,790          | 264,790          | 0                    | 0.0             | -38,222               | -12.6        | -44,680            | -14.7              | -83,462            | -27.5              | -98,938            | -32.7              |
| Social Justice and Local Government                   | 53,095           | 42,319           | 42,319           | 0                    | 0.0             | -10,776               | -20.3        | -11,808            | -22.2              | -18,006            | -33.9              | -20,479            | -38.6              |
| Economy and Transport                                 | 376,240          | 313,194          | 313,194          | 0                    | 0.0             | -63,046               | -16.8        | -70,685            | -18.8              | -116,557           | -31.0              | -134,862           | -35.8              |
| Children, Education, Lifelong Learning and Skills     | 183,492          | 173,353          | 173,353          | 0                    | 0.0             | -10,139               | -5.5         | -14,367            | -7.8               | -39,758            | -21.7              | -49,890            | -27.2              |
| Environment, Sustainability and Housing               | 417,993          | 365,544          | 365,544          | 0                    | 0.0             | -52,449               | -12.5        | -61,365            | -14.7              | -110,918           | -26.5              | -132,563           | -31.7              |
| Rural Affairs   | 16,729           | 12,834           | 12,834           | 0                    | 0.0             | -3,895                | -23.3        | -4,208             | -25.2              | -5,173             | -30.9              | -5,988             | -35.8              |
| Heritage  | 18,622           | 14,843           | 14,843           | 0                    | 0.0             | -3,779                | -20.3        | -4,141             | -22.2              | -6,315             | -33.9              | -7,183             | -38.6              |
| Public Services and Performance                       | 21,425           | 17,077           | 17,077           | 0                    | 0.0             | -4,348                | -20.3        | -4,765             | -22.2              | -7,266             | -33.9              | -8,264             | -38.6              |
| Central Services and Administration                   | 15,033           | 11,982           | 11,982           | 0                    | 0.0             | -3,051                | -20.3        | -3,343             | -22.2              | -5,098             | -33.9              | -5,798             | -38.6              |
| <b>Total Welsh Government Capital DEL Allocations</b> | <b>1,405,641</b> | <b>1,215,936</b> | <b>1,215,936</b> | <b>0</b>             | <b>0.0</b>      | <b>-189,705</b>       | <b>-13.5</b> | <b>-219,362</b>    | <b>-15.6</b>       | <b>-392,553</b>    | <b>-27.9</b>       | <b>-463,964</b>    | <b>-33.0</b>       |

Source: Members' Research Service calculations from Welsh Government budgets

#### 4.4. AME

Annually managed expenditure (AME) is generally more volatile than expenditure in DEL and therefore not subject to firm multi-year limits, rather it is negotiated with HM Treasury on an annual basis. AME is demand led and must 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. Due to the nature of AME, the Welsh Government has little discretion over its allocation.

[Table 8](#) shows the AME allocated to the Welsh Government's departments in 2011-12 is £322.8 million, representing an increase of 7.4% on that for 2010-11. In real terms this represents a 4.8% increase. In comparison to the draft budget, there have been no changes to AME in 2011-12.

Due to the volatile, demand-led nature of AME, the indicative plans shown for future years may be subject to significant change.

**Table 8: AME allocated to Welsh Government departments**

| Main Expenditure Group                            | 2010-11        | 2011-12        | 2011-12        | Change 2011-12 Draft |                 | Change 2010-11 to 11- |                  | Real terms change  |                    | Cumulative change  |                    | Real terms         |                    |
|---|----------------|----------------|----------------|----------------------|-----------------|-----------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Supplementary  | Draft          | Final          | Budget to Final      | Budget to Final | 10-11 to 11-          | 10-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |
|   | £000           | £000           | £000           | £000                 | per cent        | £000                  | per cent         | £000               | per cent           | £000               | per cent           | £000               | per cent           |
| Health and Social Services                        | 118,948        | 118,948        | 118,948        | 0                    | 0.0             | 0                     | 0.0              | -2,901             | -2.4               | 0                  | 0.0                | -8,384             | -7.0               |
| Social Justice and Local Government               | 11,677         | 13,583         | 13,583         | 0                    | 0.0             | 1,906                 | 16.3             | 1,575              | 13.5               | 1,906              | 16.3               | 949                | 8.1                |
| Economy and Transport                             | 41,402         | 41,402         | 41,402         | 0                    | 0.0             | 0                     | 0.0              | -1,010             | -2.4               | 0                  | 0.0                | -2,918             | -7.0               |
| Children, Education, Lifelong Learning and Skills | 203,398        | 217,656        | 217,656        | 0                    | 0.0             | 14,258                | 7.0              | 8,949              | 4.4                | 23,118             | 11.4               | 7,151              | 3.5                |
| Environment, Sustainability and Housing           | -77,000        | -72,000        | -72,000        | 0                    | 0.0             | 5,000                 | -6.5             | 6,756              | -8.8               | 22,000             | -28.6              | 25,877             | -33.6              |
| Rural Affairs                                     | 0              | 0              | 0              | 0                    | 0.0             | 0                     | 0.0              | 0                  | 0.0                | 0                  | 0.0                | 0                  | 0.0                |
| Heritage  | 2,058          | 2,265          | 2,265          | 0                    | 0.0             | 207                   | 10.1             | 152                | 7.4                | 682                | 33.1               | 489                | 23.8               |
| Public Services and Performance                   | 0              | 0              | 0              | 0                    | 0.0             | 0                     | 0.0              | 0                  | 0.0                | 0                  | 0.0                | 0                  | 0.0                |
| Central Services and Administration               | 0              | 924            | 924            | 0                    | 0.0             | 924                   | ..               | 901                | ..                 | -668               | ..                 | -621               | ..                 |
| <b>Total Welsh Government AME Allocations</b>     | <b>300,483</b> | <b>322,778</b> | <b>322,778</b> | <b>0</b>             | <b>0.0</b>      | <b>22,295</b>         | <b>7.4</b>       | <b>14,422</b>      | <b>4.8</b>         | <b>47,038</b>      | <b>15.7</b>        | <b>22,542</b>      | <b>7.5</b>         |

Source: Members' Research Service calculations from Welsh Government budgets

## 5. Health and Social Services

[Table 9](#) provides information on the overall allocations within the Health and Social Services (HSS) main expenditure group (MEG) at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the HSS MEG is £6.2 billion, representing a £20.2 million (0.3%) reduction on 2010-11. In real terms this represents a decrease of £170.2 million (2.8%)
- Over the budget period there is a cumulative reduction in total DEL of £52.6 million (0.9%); representing a real terms reduction of £483.9 million (7.8%)
- In comparison to the draft budget, total DEL in 2011-12 has increased by £18.0 million or 0.3%.
- Revenue DEL for 2011-12 within the HSS MEG is £5.9 billion, representing an increase of £18.0 million (0.3%) on 2010-11. In real terms this represents a decrease of £125.5 million (2.1%)
- Over the budget period there is a cumulative increase in revenue DEL of £30.8 million (0.5%); representing a real terms reduction of £385.0 million (6.6%).
- In comparison to the draft budget, revenue DEL in 2011-12 has increased by £18 million or 0.3%.
- Capital DEL for 2011-12 within the HSS MEG is £264.8 million, this is a reduction of £38.2 million (12.6%) on 2010-11; representing a real terms reduction of £44.7 million (14.7%);
- Over the budget period there is a cumulative reduction in capital DEL of £83.5 million (27.5%); representing a real terms reduction of £98.9 million (32.7%).
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £18 million increase in HSS DEL since the draft budget is due to a number of revenue transfers, as detailed in [table 1](#). There are transfers into the HSS MEG totalling £26.16 million, and transfers out totalling £8.14 million.

**Table 9: Health and Social Services MEG allocations**

| Spending programme area      | 2010-11          | 2011-12          | 2011-12          | Change 2011-12 Draft   |            | Change 2010-11 to 11- |              | Real terms change  |              | Cumulative change  |              | Real terms         |              |
|------------------------------|------------------|------------------|------------------|------------------------|------------|-----------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|                              | Supplementary    | Draft            | Final            | Budget to Final Budget | per cent   | 12                    | per cent     | 2010-11 to 2011-12 | per cent     | 2010-11 to 2013-14 | per cent     | 2010-11 to 2013-14 | per cent     |
|                              | £000             | £000             | £000             | £000                   |            | £000                  |              | £000               |              | £000               |              | £000               |              |
| <b>Revenue DEL</b>           |                  |                  |                  |                        |            |                       |              |                    |              |                    |              |                    |              |
| NHS Delivery                 | 5,332,150        | 5,351,604        | 5,368,048        | 16,444                 | 0.3        | 35,898                | 0.7          | -95,030            | -1.8         | 49,667             | 0.9          | -329,689           | -6.2         |
| Health Central Budgets       | 264,914          | 257,615          | 257,615          | 0                      | 0.0        | -7,299                | -2.8         | -13,582            | -5.1         | -7,299             | -2.8         | -25,458            | -9.6         |
| Public Health & Prevention   | 167,711          | 155,592          | 155,592          | 0                      | 0.0        | -12,119               | -7.2         | -15,914            | -9.5         | -12,120            | -7.2         | -23,087            | -13.8        |
| Social Services              | 102,564          | 102,564          | 94,427           | -8,137                 | -7.9       | -8,137                | -7.9         | -10,440            | -10.2        | -8,137             | -7.9         | -14,793            | -14.4        |
| CAFCASS Cymru                | 458              | 422              | 10,138           | 9,716                  | 2,302.4    | 9,680                 | 2,113.5      | 9,433              | 2,059.5      | 8,709              | 1,901.5      | 8,063              | 1,760.4      |
| <b>Total Revenue</b>         | <b>5,867,797</b> | <b>5,867,797</b> | <b>5,885,820</b> | <b>18,023</b>          | <b>0.3</b> | <b>18,023</b>         | <b>0.3</b>   | <b>-125,534</b>    | <b>-2.1</b>  | <b>30,820</b>      | <b>0.5</b>   | <b>-384,964</b>    | <b>-6.6</b>  |
| <b>Capital DEL</b>           |                  |                  |                  |                        |            |                       |              |                    |              |                    |              |                    |              |
| NHS Delivery                 | 283,310          | 247,573          | 247,573          | 0                      | 0.0        | -35,737               | -12.6        | -41,775            | -14.7        | -78,035            | -27.5        | -92,505            | -32.7        |
| Health Central Budgets       | 7,000            | 6,117            | 6,117            | 0                      | 0.0        | -883                  | -12.6        | -1,032             | -14.7        | -1,928             | -27.5        | -2,286             | -32.7        |
| Public Health & Prevention   | 6,200            | 5,418            | 5,418            | 0                      | 0.0        | -782                  | -12.6        | -914               | -14.7        | -1,708             | -27.5        | -2,025             | -32.7        |
| Social Services Strategy     | 6,502            | 5,682            | 5,682            | 0                      | 0.0        | -820                  | -12.6        | -959               | -14.7        | -1,791             | -27.5        | -2,123             | -32.7        |
| <b>Total Capital</b>         | <b>303,012</b>   | <b>264,790</b>   | <b>264,790</b>   | <b>0</b>               | <b>0.0</b> | <b>-38,222</b>        | <b>-12.6</b> | <b>-44,680</b>     | <b>-14.7</b> | <b>-83,462</b>     | <b>-27.5</b> | <b>-98,938</b>     | <b>-32.7</b> |
| <b>AME</b>                   |                  |                  |                  |                        |            |                       |              |                    |              |                    |              |                    |              |
| NHS Impairments              | 118,948          | 118,948          | 118,948          | 0                      | 0.0        | 0                     | 0.0          | -2,901             | -2.4         | 0                  | 0.0          | -8,384             | -7.0         |
| <b>Total AME</b>             | <b>118,948</b>   | <b>118,948</b>   | <b>118,948</b>   | <b>0</b>               | <b>0.0</b> | <b>0</b>              | <b>0.0</b>   | <b>-2,901</b>      | <b>-2.4</b>  | <b>0</b>           | <b>0.0</b>   | <b>-8,384</b>      | <b>-7.0</b>  |
| Revenue DEL                  | 5,867,797        | 5,867,797        | 5,885,820        | 18,023                 | 0.3        | 18,023                | 0.3          | -125,534           | -2.1         | 30,820             | 0.5          | -384,964           | -6.6         |
| Capital DEL                  | 303,012          | 264,790          | 264,790          | 0                      | 0.0        | -38,222               | -12.6        | -44,680            | -14.7        | -83,462            | -27.5        | -98,938            | -32.7        |
| <b>Total DEL</b>             | <b>6,170,809</b> | <b>6,132,587</b> | <b>6,150,610</b> | <b>18,023</b>          | <b>0.3</b> | <b>-20,199</b>        | <b>-0.3</b>  | <b>-170,214</b>    | <b>-2.8</b>  | <b>-52,642</b>     | <b>-0.9</b>  | <b>-483,902</b>    | <b>-7.8</b>  |
| Annually Managed Expenditure | 118,948          | 118,948          | 118,948          | 0                      | 0.0        | 0                     | 0.0          | -2,901             | -2.4         | 0                  | 0.0          | -8,384             | -7.0         |
| <b>TOTAL HSS</b>             | <b>6,289,757</b> | <b>6,251,535</b> | <b>6,269,558</b> | <b>18,023</b>          | <b>0.3</b> | <b>-20,199</b>        | <b>-0.3</b>  | <b>-173,115</b>    | <b>-2.8</b>  | <b>-52,642</b>     | <b>-0.8</b>  | <b>-492,287</b>    | <b>-7.8</b>  |

Source: Members' Research Service calculations from Welsh Government budgets

## 6. Social Justice and Local Government

[Table 10](#) provides information on the overall allocations within the Social Justice and Local Government (SJLG) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the SJLG MEG is £4.4 billion; this is a reduction of £85.2 million (1.9%) on 2010-11. In real terms this represents a reduction of £191.9 million (4.3%);
- Over the budget period there is a cumulative reduction in total DEL of £40.9 million (0.9%); representing a real terms reduction of £352.3 million (7.9%).
- In comparison to the draft budget total DEL for 2011-12 has increased by £1.5 million.
- Revenue DEL for 2011-12 within the SJLG MEG is £4.3 billion, this is a reduction of £74.4 million (1.7%) on 2010-11. In real terms this represents a reduction of £180.1 million (4.1%)
- Over the budget period there is a cumulative reduction in revenue DEL of £22.8 million (0.5%); representing a real terms reduction of £331.9 million (7.5%).
- In comparison to the draft budget, revenue DEL in 2011-12 has increased by £1.5 million.
- Capital DEL for 2011-12 within the SJLG MEG is £42.3 million, this is a reduction of £10.8 million (20.3%) on 2010-11. In real terms this represents a reduction of £11.8 million (22.2%)
- Over the budget period there is a cumulative reduction in capital DEL of £18.0 million (33.9%); representing a real terms reduction of £20.5 million (38.6%).
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £1.5 million increase in SJLG DEL since the draft budget is due to a number of revenue transfers, as detailed in [table 1](#). There are transfers into the SJLG MEG totalling £8.1 million, and transfers out totalling £6.6 million.

**Table 10: Social Justice and Local Government MEG allocations**

| Spending programme area           | 2010-11          | 2011-12          | 2011-12          | Change 2011-12 Draft |            | Change 2010-11 to 11- |              | Real terms change  |              | Cumulative change  |              | Real terms         |              |
|-----------------------------------|------------------|------------------|------------------|----------------------|------------|-----------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|                                   | Supplementary    | Draft            | Final            | Budget to Final      | per cent   | 2010-11 to 11-        | per cent     | 2010-11 to 2011-12 | per cent     | 2010-11 to 2013-14 | per cent     | 2010-11 to 2013-14 | per cent     |
|                                   | £000             | £000             | £000             | £000                 |            | £000                  |              | £000               |              | £000               |              | £000               |              |
| <b>Revenue DEL</b>                |                  |                  |                  |                      |            |                       |              |                    |              |                    |              |                    |              |
| Local Government Funding          | 4,277,597        | 4,208,381        | 4,209,918        | 1,537                | 0.0        | -67,679               | -1.6         | -170,360           | -4.0         | -7,336             | -0.2         | -308,340           | -7.2         |
| Supporting Communities and People | 59,817           | 60,543           | 60,543           | 0                    | 0.0        | 726                   | 1.2          | -751               | -1.3         | -5,872             | -9.8         | -9,674             | -16.2        |
| Safer Communities                 | 13,088           | 11,851           | 11,851           | 0                    | 0.0        | -1,237                | -9.5         | -1,526             | -11.7        | -1,387             | -10.6        | -2,212             | -16.9        |
| Local Government Policy           | 38,397           | 37,552           | 37,552           | 0                    | 0.0        | -845                  | -2.2         | -1,761             | -4.6         | -1,946             | -5.1         | -4,515             | -11.8        |
| Local Taxation Policy             | 16,064           | 10,744           | 10,744           | 0                    | 0.0        | -5,320                | -33.1        | -5,582             | -34.7        | -6,070             | -37.8        | -6,774             | -42.2        |
| Equality, Diversity and Inclusion | 1,883            | 1,828            | 1,828            | 0                    | 0.0        | -55                   | -2.9         | -100               | -5.3         | -238               | -12.6        | -354               | -18.8        |
| <b>Total Revenue</b>              | <b>4,406,846</b> | <b>4,330,899</b> | <b>4,332,436</b> | <b>1,537</b>         | <b>0.0</b> | <b>-74,410</b>        | <b>-1.7</b>  | <b>-180,079</b>    | <b>-4.1</b>  | <b>-22,849</b>     | <b>-0.5</b>  | <b>-331,870</b>    | <b>-7.5</b>  |
| <b>Capital DEL</b>                |                  |                  |                  |                      |            |                       |              |                    |              |                    |              |                    |              |
| Local Government Funding          | 20,000           | 20,000           | 20,000           | 0                    | 0.0        | 0                     | 0.0          | -488               | -2.4         | 0                  | 0.0          | -1,410             | -7.0         |
| Supporting Communities and People | 21,128           | 17,280           | 17,280           | 0                    | 0.0        | -3,848                | -18.2        | -4,269             | -20.2        | -10,178            | -48.2        | -10,950            | -51.8        |
| Safer Communities                 | 9,467            | 3,039            | 3,039            | 0                    | 0.0        | -6,428                | -67.9        | -6,502             | -68.7        | -6,828             | -72.1        | -7,014             | -74.1        |
| Equality, Diversity and Inclusion | 2,500            | 2,000            | 2,000            | 0                    | 0.0        | -500                  | -20.0        | -549               | -22.0        | -1,000             | -40.0        | -1,106             | -44.2        |
| <b>Total Capital</b>              | <b>53,095</b>    | <b>42,319</b>    | <b>42,319</b>    | <b>0</b>             | <b>0.0</b> | <b>-10,776</b>        | <b>-20.3</b> | <b>-11,808</b>     | <b>-22.2</b> | <b>-18,006</b>     | <b>-33.9</b> | <b>-20,479</b>     | <b>-38.6</b> |
| <b>AME</b>                        |                  |                  |                  |                      |            |                       |              |                    |              |                    |              |                    |              |
| Local Government Funding          | 11,677           | 13,583           | 13,583           | 0                    | 0.0        | 1,906                 | 16.3         | 1,575              | 13.5         | 1,906              | 16.3         | 949                | 8.1          |
| <b>Total AME</b>                  | <b>11,677</b>    | <b>13,583</b>    | <b>13,583</b>    | <b>0</b>             | <b>0.0</b> | <b>1,906</b>          | <b>16.3</b>  | <b>1,575</b>       | <b>13.5</b>  | <b>1,906</b>       | <b>16.3</b>  | <b>949</b>         | <b>8.1</b>   |
| Revenue DEL                       | 4,406,846        | 4,330,899        | 4,332,436        | 1,537                | 0.0        | -74,410               | -1.7         | -180,079           | -4.1         | -22,849            | -0.5         | -331,870           | -7.5         |
| Capital DEL                       | 53,095           | 42,319           | 42,319           | 0                    | 0.0        | -10,776               | -20.3        | -11,808            | -22.2        | -18,006            | -33.9        | -20,479            | -38.6        |
| <b>Total DEL</b>                  | <b>4,459,941</b> | <b>4,373,218</b> | <b>4,374,755</b> | <b>1,537</b>         | <b>0.0</b> | <b>-85,186</b>        | <b>-1.9</b>  | <b>-191,887</b>    | <b>-4.3</b>  | <b>-40,855</b>     | <b>-0.9</b>  | <b>-352,349</b>    | <b>-7.9</b>  |
| Annually Managed Expenditure      | 11,677           | 13,583           | 13,583           | 0                    | 0.0        | 1,906                 | 16.3         | 1,575              | 13.5         | 1,906              | 16.3         | 949                | 8.1          |
| <b>TOTAL SJLG</b>                 | <b>4,471,618</b> | <b>4,386,801</b> | <b>4,388,338</b> | <b>1,537</b>         | <b>0.0</b> | <b>-83,280</b>        | <b>-1.9</b>  | <b>-190,313</b>    | <b>-4.3</b>  | <b>-38,949</b>     | <b>-0.9</b>  | <b>-351,401</b>    | <b>-7.9</b>  |

Source: Members' Research Service calculations from Welsh Government budgets

## 7. Economy and Transport

[Table 11](#) provides information on the overall allocations within the Economy and Transport (E&T) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the E&T MEG is £841.5 million; this is a reduction of £132.2 million (13.6%) on 2010-11. In real terms this represents a reduction of £152.8 million (15.7%);
- Over the budget period there is a cumulative reduction in total DEL of £126.8 million (13.0%); representing a real terms reduction of £186.5 million (19.2%).
- In comparison to the draft budget total DEL for 2011-12 has decreased by £61.5 million, or 6.8%.
- Revenue DEL for 2011-12 within the E&T MEG is £528.3 million; this is a reduction of £69.2 million (11.6%) on 2010-11. In real terms this represents a reduction of £82.1 million (13.7%);
- Over the budget period there is a cumulative reduction in revenue DEL of £10.3 million (1.7%); representing a real terms reduction of £51.6 million (8.6%).
- In comparison to the draft budget revenue DEL for 2011-12 has decreased by £61.5 million or 10.4%.
- Capital DEL for 2011-12 within the E&T MEG is £313.2 million; this is a reduction of £63.0 million (16.8%) on 2010-11. In real terms this represents a reduction of £70.7 million (18.8%)
- Over the budget period there is a cumulative reduction in capital DEL of £116.6 million (31.0%); representing a real terms reduction of £134.9 million (35.8%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £61.5 million reduction in E&T DEL since the draft budget is due to two revenue transfers, as detailed in [table 1](#). These both relate to non-cash adjustments (as discussed in [section 2.1](#)). There are no transfers into the E&T MEG.



**Table 11: Economy and Transport MEG allocations**

| Spending programme area  | 2010-11              | 2011-12        | 2011-12        | Change 2011-12 Draft   |              | Change 2010-11 to 11- |              | Real terms change  |              | Cumulative change  |              | Real terms         |              |
|--|----------------------|----------------|----------------|------------------------|--------------|-----------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|  | Supplementary Budget | Draft Budget   | Final Budget   | Budget to Final Budget | per cent     | 2010-11 to 11-        | per cent     | 2010-11 to 2011-12 | per cent     | 2010-11 to 2013-14 | per cent     | 2010-11 to 2013-14 | per cent     |
|  | £000                 | £000           | £000           | £000                   |              | £000                  |              | £000               |              | £000               |              | £000               |              |
| <b>Revenue DEL</b>   |                      |                |                |                        |              |                       |              |                    |              |                    |              |                    |              |
| Sectors and Business   | 48,145               | 47,990         | 47,990         | 0                      | 0.0          | -155                  | -0.3         | -1,325             | -2.8         | -2,228             | -4.6         | -5,465             | -11.4        |
| Encouraging Innovation   | 3,162                | 2,162          | 2,162          | 0                      | 0.0          | -1,000                | -31.6        | -1,053             | -33.3        | -1,018             | -32.2        | -1,169             | -37.0        |
| Regional Funding   | 0                    | 2,005          | 2,005          | 0                      | 0.0          | 2,005                 | ..           | 1,956              | ..           | 2,005              | ..           | 1,864              | ..           |
| Finance Wales  | 5,102                | 5,102          | 5,102          | 0                      | 0.0          | 0                     | 0.0          | -124               | -2.4         | -1,000             | -19.6        | -1,289             | -25.3        |
| Major Events   | 6,438                | 3,930          | 3,930          | 0                      | 0.0          | -2,508                | -39.0        | -2,604             | -40.4        | -2,541             | -39.5        | -2,816             | -43.7        |
| Marketing  | 3,090                | 2,840          | 2,840          | 0                      | 0.0          | -250                  | -8.1         | -319               | -10.3        | -275               | -8.9         | -473               | -15.3        |
| Infrastructure   | 20,585               | 20,470         | 20,470         | 0                      | 0.0          | -115                  | -0.6         | -614               | -3.0         | 2,986              | 14.5         | 1,325              | 6.4          |
| Improve Domestic Connectivity (Regional & National)                              | 262,239              | 265,418        | 235,063        | -30,355                | -11.4        | -27,176               | -10.4        | -32,909            | -12.5        | -4,523             | -1.7         | -22,689            | -8.7         |
| Improve International Connectivity   | 140,561              | 145,681        | 114,487        | -31,194                | -21.4        | -26,074               | -18.5        | -28,866            | -20.5        | 4,447              | 3.2          | -5,774             | -4.1         |
| Improve Integrated Transport (Local)   | 93,006               | 84,527         | 84,527         | 0                      | 0.0          | -8,479                | -9.1         | -10,541            | -11.3        | -1,622             | -1.7         | -8,064             | -8.7         |
| Improve Road Safety & Transport's Impact on the Environment                      | 8,397                | 3,056          | 3,056          | 0                      | 0.0          | -5,341                | -63.6        | -5,416             | -64.5        | -6,341             | -75.5        | -6,486             | -77.2        |
| Strategy & Corporate Programmes  | 5,243                | 5,145          | 5,145          | 0                      | 0.0          | -98                   | -1.9         | -223               | -4.3         | -143               | -2.7         | -502               | -9.6         |
| WEFO   | 1,522                | 1,522          | 1,522          | 0                      | 0.0          | 0                     | 0.0          | -37                | -2.4         | 0                  | 0.0          | -107               | -7.0         |
| <b>Total Revenue</b>   | <b>597,490</b>       | <b>589,848</b> | <b>528,299</b> | <b>-61,549</b>         | <b>-10.4</b> | <b>-69,191</b>        | <b>-11.6</b> | <b>-82,076</b>     | <b>-13.7</b> | <b>-10,253</b>     | <b>-1.7</b>  | <b>-51,646</b>     | <b>-8.6</b>  |
| <b>Capital DEL</b>   |                      |                |                |                        |              |                       |              |                    |              |                    |              |                    |              |
| Sectors and Business   | 71,045               | 69,129         | 69,129         | 0                      | 0.0          | -1,916                | -2.7         | -3,602             | -5.1         | -27,334            | -38.5        | -30,415            | -42.8        |
| Encouraging Innovation   | 1,457                | 433            | 433            | 0                      | 0.0          | -1,024                | -70.3        | -1,035             | -71.0        | -1,157             | -79.4        | -1,178             | -80.9        |
| Regional Funding   | 0                    | 995            | 995            | 0                      | 0.0          | 995                   | ..           | 971                | ..           | 995                | ..           | 925                | ..           |
| Finance Wales  | 1,500                | 1,500          | 1,500          | 0                      | 0.0          | 0                     | 0.0          | -37                | -2.4         | 0                  | 0.0          | -106               | -7.0         |
| Major Events   | 400                  | 0              | 0              | 0                      | 0.0          | -400                  | -100.0       | -400               | -100.0       | -400               | -100.0       | -400               | -100.0       |
| Infrastructure   | 19,607               | 6,291          | 6,291          | 0                      | 0.0          | -13,316               | -67.9        | -13,469            | -68.7        | -1,151             | -5.9         | -2,452             | -12.5        |
| Improve Domestic Connectivity (Regional & National)                              | 103,834              | 83,674         | 83,674         | 0                      | 0.0          | -20,160               | -19.4        | -22,201            | -21.4        | -47,984            | -46.2        | -51,921            | -50.0        |
| Improve International Connectivity   | 38,683               | 59,088         | 59,088         | 0                      | 0.0          | 20,405                | 52.7         | 18,964             | 49.0         | 45,153             | 116.7        | 39,244             | 101.4        |
| Improve Integrated Transport (Local)   | 120,917              | 80,713         | 80,713         | 0                      | 0.0          | -40,204               | -33.2        | -42,173            | -34.9        | -77,176            | -63.8        | -80,259            | -66.4        |
| Improve Road Safety & Transport's Impact on the Environment                      | 18,257               | 10,922         | 10,922         | 0                      | 0.0          | -7,335                | -40.2        | -7,601             | -41.6        | -7,335             | -40.2        | -8,105             | -44.4        |
| Strategy & Corporate Programmes  | 540                  | 449            | 449            | 0                      | 0.0          | -91                   | -16.9        | -102               | -18.9        | -168               | -31.1        | -194               | -36.0        |
| <b>Total Capital</b>   | <b>376,240</b>       | <b>313,194</b> | <b>313,194</b> | <b>0</b>               | <b>0.0</b>   | <b>-63,046</b>        | <b>-16.8</b> | <b>-70,685</b>     | <b>-18.8</b> | <b>-116,557</b>    | <b>-31.0</b> | <b>-134,862</b>    | <b>-35.8</b> |
| <b>AME</b>   |                      |                |                |                        |              |                       |              |                    |              |                    |              |                    |              |
| Deliver a Supply of Land and Buildings of Sustainable Standards - Non Cash       | 41,402               | 41,402         | 41,402         | 0                      | 0.0          | 0                     | 0.0          | -1,010             | -2.4         | 0                  | 0.0          | -2,918             | -7.0         |
| <b>Developing Sustainable Infrastructure for Economic Development and others</b> | <b>41,402</b>        | <b>41,402</b>  | <b>41,402</b>  | <b>0</b>               | <b>0.0</b>   | <b>0</b>              | <b>0.0</b>   | <b>-1,010</b>      | <b>-2.4</b>  | <b>0</b>           | <b>0.0</b>   | <b>-2,918</b>      | <b>-7.0</b>  |
| <b>Total AME</b>   | <b>41,402</b>        | <b>41,402</b>  | <b>41,402</b>  | <b>0</b>               | <b>0.0</b>   | <b>0</b>              | <b>0.0</b>   | <b>-1,010</b>      | <b>-2.4</b>  | <b>0</b>           | <b>0.0</b>   | <b>-2,918</b>      | <b>-7.0</b>  |
| <b>Revenue DEL</b>   | <b>597,490</b>       | <b>589,848</b> | <b>528,299</b> | <b>-61,549</b>         | <b>-10.4</b> | <b>-69,191</b>        | <b>-11.6</b> | <b>-82,076</b>     | <b>-13.7</b> | <b>-10,253</b>     | <b>-1.7</b>  | <b>-51,646</b>     | <b>-8.6</b>  |
| <b>Capital DEL</b>   | <b>376,240</b>       | <b>313,194</b> | <b>313,194</b> | <b>0</b>               | <b>0.0</b>   | <b>-63,046</b>        | <b>-16.8</b> | <b>-70,685</b>     | <b>-18.8</b> | <b>-116,557</b>    | <b>-31.0</b> | <b>-134,862</b>    | <b>-35.8</b> |
| <b>Total DEL</b>   | <b>973,730</b>       | <b>903,042</b> | <b>841,493</b> | <b>-61,549</b>         | <b>-6.8</b>  | <b>-132,237</b>       | <b>-13.6</b> | <b>-152,761</b>    | <b>-15.7</b> | <b>-126,810</b>    | <b>-13.0</b> | <b>-186,508</b>    | <b>-19.2</b> |
| Annually Managed Expenditure   | 41,402               | 41,402         | 41,402         | 0                      | 0.0          | 0                     | 0.0          | -1,010             | -2.4         | 0                  | 0.0          | -2,918             | -7.0         |
| <b>TOTAL E&amp;T</b>   | <b>1,015,132</b>     | <b>944,444</b> | <b>882,895</b> | <b>-61,549</b>         | <b>-6.5</b>  | <b>-132,237</b>       | <b>-13.0</b> | <b>-153,771</b>    | <b>-15.1</b> | <b>-126,810</b>    | <b>-12.5</b> | <b>-189,426</b>    | <b>-18.7</b> |

Source: Members' Research Service calculations from Welsh Government budgets

## 8. Children, Education, Lifelong Learning and Skills

[Table 12](#) provides information on the overall allocations within the Children, Education, Lifelong Learning and Skills (CELLS) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the CELLS MEG is £1.9 billion; this is an increase of £6.6 million (0.4%) on 2010-11. In real terms this represents a reduction of £39.3 million (2.1%).
- Over the budget period there is a cumulative increase in total DEL of £3.8 million (0.2%); representing a real terms reduction of £128.8 million (6.9%).
- In comparison to the draft budget total DEL for 2011-12 has increased by £37.9 million or 2.1%.
- Revenue DEL for 2011-12 within the CELLS MEG is £1.7 billion; this is an increase of £16.8 million (1.0%) on 2010-11. In real terms this represents a reduction of £25.0 million (1.5%).
- Over the budget period there is a cumulative increase in revenue DEL of £43.6 million (2.6%); representing a real terms reduction of £78.9 million (4.7%).
- In comparison to the draft budget revenue DEL for 2011-12 has increased by £37.9 million, or 2.3%.
- Capital DEL for 2011-12 within the CELLS MEG is £173.4 million; this is a reduction of £10.1 million (5.5%) on 2010-11. In real terms this represents a reduction of £14.4 million (7.8%).
- Over the budget period there is a cumulative reduction in capital DEL of £39.8 million (21.7%); representing a real terms reduction of £49.9 million (27.2%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £37.9 million increase in CELLS DEL since the draft budget is due to a transfer from revenue reserves, as detailed in [table 1](#). This relates to non-cash adjustments (as discussed in [section 2.1](#)) to meet pressures on the provision of student finance.

There have also been three transfers between SPAs within the CELLS MEG, totalling £5.5 million (detailed in [table 1](#)). As these are transfers within the MEG they have no net impact on the total DEL.

**Table 12: Children, Education, Lifelong Learning and Skills MEG allocations**

| Spending programme area                             | 2010-11          | 2011-12          | 2011-12          | Change 2011-12 Draft |            | Change 2010-11 to 11- |                    | Real terms change  |                    | Cumulative change  |                    | Real terms      |              |
|---|------------------|------------------|------------------|----------------------|------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|--------------|
|   | Supplementary    | Draft            | Final            | Budget to Final      | 11-        | 2010-11 to 2011-12    | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |                 |              |
|   | £000             | £000             | £000             | £000                 | per cent   | £000                  | per cent           | £000               | per cent           | £000               | per cent           | £000            | per cent     |
| <b>Revenue DEL</b>                                  |                  |                  |                  |                      |            |                       |                    |                    |                    |                    |                    |                 |              |
| Children, Young People and School Effectiveness     | 214,874          | 223,986          | 221,706          | -2,280               | -1.0       | 6,832                 | 3.2                | 1,425              | 0.7                | 24,945             | 11.6               | 8,041           | 3.7          |
| Qualification, Curriculum and Learning Improvement  | 144,109          | 155,914          | 158,194          | 2,280                | 1.5        | 14,085                | 9.8                | 10,227             | 7.1                | 26,582             | 18.4               | 14,550          | 10.1         |
| Skills, Higher Education and Lifelong Learning      | 1,054,033        | 1,006,644        | 1,006,644        | 0                    | 0.0        | -47,389               | -4.5               | -71,941            | -6.8               | -47,430            | -4.5               | -118,384        | -11.2        |
| Business Improvement and Resource Investment        | 281,535          | 286,920          | 324,788          | 37,868               | 13.2       | 43,253                | 15.4               | 35,331             | 12.5               | 39,506             | 14.0               | 16,876          | 6.0          |
| <b>Total Revenue</b>                                | <b>1,694,551</b> | <b>1,673,464</b> | <b>1,711,332</b> | <b>37,868</b>        | <b>2.3</b> | <b>16,781</b>         | <b>1.0</b>         | <b>-24,959</b>     | <b>-1.5</b>        | <b>43,603</b>      | <b>2.6</b>         | <b>-78,917</b>  | <b>-4.7</b>  |
| <b>Capital DEL</b>                                  |                  |                  |                  |                      |            |                       |                    |                    |                    |                    |                    |                 |              |
| Children, Young People and School Effectiveness     | 7,406            | 0                | 0                | 0                    | 0.0        | -7,406                | -100.0             | -7,406             | -100.0             | -7,406             | -100.0             | -7,406          | -100.0       |
| Skills, Higher Education and Lifelong Learning      | 19,436           | 0                | 0                | 0                    | 0.0        | -19,436               | -100.0             | -19,436            | -100.0             | -19,436            | -100.0             | -19,436         | -100.0       |
| Business Improvement and Resource Investment        | 156,650          | 173,353          | 173,353          | 0                    | 0.0        | 16,703                | 10.7               | 12,475             | 8.0                | -12,916            | -8.2               | -23,048         | -14.7        |
| <b>Total Capital</b>                                | <b>183,492</b>   | <b>173,353</b>   | <b>173,353</b>   | <b>0</b>             | <b>0.0</b> | <b>-10,139</b>        | <b>-5.5</b>        | <b>-14,367</b>     | <b>-7.8</b>        | <b>-39,758</b>     | <b>-21.7</b>       | <b>-49,890</b>  | <b>-27.2</b> |
| <b>AME</b>  |                  |                  |                  |                      |            |                       |                    |                    |                    |                    |                    |                 |              |
| Student Finance & Funding                           | 203,398          | 217,656          | 217,656          | 0                    | 0.0        | 14,258                | 7.0                | 8,949              | 4.4                | 23,118             | 11.4               | 7,151           | 3.5          |
| <b>Business Improvement and Resource Investment</b> | <b>203,398</b>   | <b>217,656</b>   | <b>217,656</b>   | <b>0</b>             | <b>0.0</b> | <b>14,258</b>         | <b>7.0</b>         | <b>8,949</b>       | <b>4.4</b>         | <b>23,118</b>      | <b>11.4</b>        | <b>7,151</b>    | <b>3.5</b>   |
| <b>Total AME</b>                                    | <b>203,398</b>   | <b>217,656</b>   | <b>217,656</b>   | <b>0</b>             | <b>0.0</b> | <b>14,258</b>         | <b>7.0</b>         | <b>8,949</b>       | <b>4.4</b>         | <b>23,118</b>      | <b>11.4</b>        | <b>7,151</b>    | <b>3.5</b>   |
| Revenue DEL   | 1,694,551        | 1,673,464        | 1,711,332        | 37,868               | 2.3        | 16,781                | 1.0                | -24,959            | -1.5               | 43,603             | 2.6                | -78,917         | -4.7         |
| Capital DEL   | 183,492          | 173,353          | 173,353          | 0                    | 0.0        | -10,139               | -5.5               | -14,367            | -7.8               | -39,758            | -21.7              | -49,890         | -27.2        |
| <b>Total DEL</b>                                    | <b>1,878,043</b> | <b>1,846,817</b> | <b>1,884,685</b> | <b>37,868</b>        | <b>2.1</b> | <b>6,642</b>          | <b>0.4</b>         | <b>-39,326</b>     | <b>-2.1</b>        | <b>3,845</b>       | <b>0.2</b>         | <b>-128,806</b> | <b>-6.9</b>  |
| Annually Managed Expenditure                        | 203,398          | 217,656          | 217,656          | 0                    | 0.0        | 14,258                | 7.0                | 8,949              | 4.4                | 23,118             | 11.4               | 7,151           | 3.5          |
| <b>TOTAL CELLS</b>                                  | <b>2,081,441</b> | <b>2,064,473</b> | <b>2,102,341</b> | <b>37,868</b>        | <b>1.8</b> | <b>20,900</b>         | <b>1.0</b>         | <b>-30,377</b>     | <b>-1.5</b>        | <b>26,963</b>      | <b>1.3</b>         | <b>-121,655</b> | <b>-5.8</b>  |

Source: Members' Research Service calculations from Welsh Government budgets

## 9. Environment, Sustainability and Housing

[Table 13](#) provides information on the overall allocations within the Environment, Sustainability and Housing (ESH) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the ESH MEG is £741.0 million; this is a reduction of £60.8 million (7.6%) on 2010-11. In real terms this represents a reduction of £78.9 million (9.8%).
- Over the budget period there is a cumulative reduction in total DEL of £123.6 million (15.4%); representing a real terms reduction of £171.4 million (21.4%).
- In comparison to the draft budget there has been no change to total DEL for 2011-12.
- Revenue DEL for 2011-12 within the ESH MEG is £375.4 million; this is a reduction of £8.3 million (2.2%) on 2010-11. In real terms this represents a reduction of £17.5 million (4.6%).
- Over the budget period there is a cumulative reduction in revenue DEL of £12.7 million (3.3%); representing a real terms reduction of £38.9 million (10.1%).
- In comparison to the draft budget there has been no change to revenue DEL for 2011-12.
- Capital DEL for 2011-12 within the ESH MEG is £365.5 million; this is a reduction of £52.4 million (12.5%) on 2010-11. In real terms this represents a reduction of £61.4 million (14.7%).
- Over the budget period there is a cumulative reduction in capital DEL of £110.9 million (26.5%); representing a real terms reduction of £132.6 million (31.7%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

There have been no changes or internal transfers within the ESH MEG as compared to the draft budget.

**Table 13: Environment, Sustainability and Housing MEG allocations**

| Spending programme area           | 2010-11        | 2011-12        | 2011-12        | Change 2011-12 Draft |            | Change 2010-11 to 11- |                    | Real terms change  |                    | Cumulative change  |                    | Real terms      |              |
|-----------------------------------|----------------|----------------|----------------|----------------------|------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|--------------|
|                                   | Supplementary  | Draft          | Final          | Budget to Final      | 11-        | 2010-11 to 2011-12    | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |                 |              |
|                                   | £000           | £000           | £000           | £000                 | per cent   | £000                  | per cent           | £000               | per cent           | £000               | per cent           | £000            | per cent     |
| <b>Revenue DEL</b>                |                |                |                |                      |            |                       |                    |                    |                    |                    |                    |                 |              |
| Climate Change and Sustainability | 119,593        | 117,485        | 117,485        | 0                    | 0.0        | -2,108                | -1.8               | -4,973             | -4.2               | 315                | 0.3                | -8,137          | -6.8         |
| Environment                       | 83,972         | 80,898         | 80,898         | 0                    | 0.0        | -3,074                | -3.7               | -5,047             | -6.0               | -6,109             | -7.3               | -11,597         | -13.8        |
| Housing                           | 157,217        | 154,765        | 154,765        | 0                    | 0.0        | -2,452                | -1.6               | -6,227             | -4.0               | -5,425             | -3.5               | -16,125         | -10.3        |
| Planning                          | 8,074          | 7,772          | 7,772          | 0                    | 0.0        | -302                  | -3.7               | -492               | -6.1               | -984               | -12.2              | -1,484          | -18.4        |
| Regeneration                      | 14,894         | 14,489         | 14,489         | 0                    | 0.0        | -405                  | -2.7               | -758               | -5.1               | -497               | -3.3               | -1,512          | -10.2        |
| <b>Total Revenue</b>              | <b>383,750</b> | <b>375,409</b> | <b>375,409</b> | <b>0</b>             | <b>0.0</b> | <b>-8,341</b>         | <b>-2.2</b>        | <b>-17,497</b>     | <b>-4.6</b>        | <b>-12,700</b>     | <b>-3.3</b>        | <b>-38,855</b>  | <b>-10.1</b> |
| <b>Capital DEL</b>                |                |                |                |                      |            |                       |                    |                    |                    |                    |                    |                 |              |
| Climate Change and Sustainability | 67,220         | 56,209         | 56,209         | 0                    | 0.0        | -11,011               | -16.4              | -12,382            | -18.4              | -16,665            | -24.8              | -20,229         | -30.1        |
| Environment                       | 8,259          | 4,600          | 4,600          | 0                    | 0.0        | -3,659                | -44.3              | -3,771             | -45.7              | -4,409             | -53.4              | -4,680          | -56.7        |
| Housing                           | 273,079        | 249,392        | 249,392        | 0                    | 0.0        | -23,687               | -8.7               | -29,770            | -10.9              | -66,297            | -24.3              | -80,873         | -29.6        |
| Regeneration                      | 69,435         | 55,343         | 55,343         | 0                    | 0.0        | -14,092               | -20.3              | -15,442            | -22.2              | -23,547            | -33.9              | -26,782         | -38.6        |
| <b>Total Capital</b>              | <b>417,993</b> | <b>365,544</b> | <b>365,544</b> | <b>0</b>             | <b>0.0</b> | <b>-52,449</b>        | <b>-12.5</b>       | <b>-61,365</b>     | <b>-14.7</b>       | <b>-110,918</b>    | <b>-26.5</b>       | <b>-132,563</b> | <b>-31.7</b> |
| <b>AME</b>                        |                |                |                |                      |            |                       |                    |                    |                    |                    |                    |                 |              |
| Achieve quality housing           | -77,000        | -72,000        | -72,000        | 0                    | 0.0        | 5,000                 | -6.5               | 6,756              | -8.8               | 22,000             | -28.6              | 25,877          | -33.6        |
| Housing                           | -77,000        | -72,000        | -72,000        | 0                    | 0.0        | 5,000                 | -6.5               | 6,756              | -8.8               | 22,000             | -28.6              | 25,877          | -33.6        |
| <b>Total AME</b>                  | <b>-77,000</b> | <b>-72,000</b> | <b>-72,000</b> | <b>0</b>             | <b>0.0</b> | <b>5,000</b>          | <b>-6.5</b>        | <b>6,756</b>       | <b>-8.8</b>        | <b>22,000</b>      | <b>-28.6</b>       | <b>25,877</b>   | <b>-33.6</b> |
| Revenue DEL                       | 383,750        | 375,409        | 375,409        | 0                    | 0.0        | -8,341                | -2.2               | -17,497            | -4.6               | -12,700            | -3.3               | -38,855         | -10.1        |
| Capital DEL                       | 417,993        | 365,544        | 365,544        | 0                    | 0.0        | -52,449               | -12.5              | -61,365            | -14.7              | -110,918           | -26.5              | -132,563        | -31.7        |
| <b>Total DEL</b>                  | <b>801,743</b> | <b>740,953</b> | <b>740,953</b> | <b>0</b>             | <b>0.0</b> | <b>-60,790</b>        | <b>-7.6</b>        | <b>-78,862</b>     | <b>-9.8</b>        | <b>-123,618</b>    | <b>-15.4</b>       | <b>-171,418</b> | <b>-21.4</b> |
| Annually Managed Expenditure      | -77,000        | -72,000        | -72,000        | 0                    | 0.0        | 5,000                 | -6.5               | 6,756              | -8.8               | 22,000             | -28.6              | 25,877          | -33.6        |
| <b>TOTAL ESH</b>                  | <b>724,743</b> | <b>668,953</b> | <b>668,953</b> | <b>0</b>             | <b>0.0</b> | <b>-55,790</b>        | <b>-7.7</b>        | <b>-72,106</b>     | <b>-9.9</b>        | <b>-101,618</b>    | <b>-14.0</b>       | <b>-145,541</b> | <b>-20.1</b> |

Source: Members' Research Service calculations from Welsh Government budgets

## 10. Rural Affairs

[Table 14](#) provides information on the overall allocations within the Rural Affairs (RA) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the RA MEG is £136.8 million; this is a reduction of £6.5 million (4.5%) on 2010-11. In real terms this represents a reduction of £9.8 million (6.9%).
- Over the budget period there is a cumulative reduction in total DEL of £9.2 million (6.4%); representing a real terms reduction of £18.6 million (13.0%).
- In comparison to the draft budget total DEL for 2011-12 has increased by £0.2 million, or 0.2%.
- Revenue DEL for 2011-12 within the RA MEG is £124.0 million; this is a reduction of £2.6 million (2.1%) on 2010-11. In real terms this represents a reduction of £5.6 million (4.4%).
- Over the budget period there is a cumulative reduction in revenue DEL of £4 million (3.1%); representing a real terms reduction of £12.6 million (10.0%).
- In comparison to the draft budget revenue DEL for 2011-12 has increased by £0.2 million, or 0.2%.
- Capital DEL for 2011-12 within the RA MEG is £12.8 million; this is a reduction of £3.9 million (23.3%) on 2010-11. In real terms this represents a reduction of £4.2 million (25.2%).
- Over the budget period there is a cumulative reduction in capital DEL of £5.2 million (30.9%); representing a real terms reduction of £6.0 million (35.8%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £0.2 million increase in RA DEL since the draft budget is due to a revenue transfer of £242,000, as detailed in [table 1](#). This relates to non-cash adjustments (as discussed in [section 2.1](#)). There are no transfers into the RA MEG.

**Table 14: Rural Affairs MEG allocations**

| Spending programme area                            | 2010-11        | 2011-12        | 2011-12        | Change 2011-12 Draft |            | Change 2010-11 to 11- |              | Real terms change  |              | Cumulative change  |              | Real terms         |              |
|--|----------------|----------------|----------------|----------------------|------------|-----------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|  | Supplementary  | Draft          | Final          | Budget to Final      | per cent   | 12                    | per cent     | 2010-11 to 2011-12 | per cent     | 2010-11 to 2013-14 | per cent     | 2010-11 to 2013-14 | per cent     |
|  | £000           | £000           | £000           | £000                 | per cent   | £000                  | per cent     | £000               | per cent     | £000               | per cent     | £000               | per cent     |
| <b>Revenue DEL</b>                                 |                |                |                |                      |            |                       |              |                    |              |                    |              |                    |              |
| Protecting and improving Animal Health and Welfare | 25,153         | 22,660         | 22,660         | -380                 | -1.7       | -2,873                | -11.4        | -3,416             | -13.6        | -2,873             | -11.4        | -4,443             | -17.7        |
| Rural European Policies                            | 69,148         | 69,872         | 69,872         | 471                  | 0.7        | 1,195                 | 1.7          | -521               | -0.8         | 1,195              | 1.7          | -3,763             | -5.4         |
| Evidence Base                                      | 1,027          | 1,210          | 1,210          | -100                 | -8.3       | 83                    | 8.1          | 56                 | 5.4          | 83                 | 8.1          | 5                  | 0.5          |
| Welsh Food, Fish and Drink Industry                | 7,289          | 6,675          | 6,917          | -233                 | -3.5       | -847                  | -11.6        | -1,004             | -13.8        | -847               | -11.6        | -1,301             | -17.9        |
| Common Agriculture Policy and the Countryside      | 23,943         | 23,305         | 23,305         | -900                 | -3.9       | -1,538                | -6.4         | -2,084             | -8.7         | -1,538             | -6.4         | -3,117             | -13.0        |
| <b>Total Revenue</b>                               | <b>126,560</b> | <b>123,722</b> | <b>123,964</b> | <b>242</b>           | <b>0.2</b> | <b>-2,596</b>         | <b>-2.1</b>  | <b>-5,620</b>      | <b>-4.4</b>  | <b>-3,980</b>      | <b>-3.1</b>  | <b>-12,620</b>     | <b>-10.0</b> |
| <b>Capital DEL</b>                                 |                |                |                |                      |            |                       |              |                    |              |                    |              |                    |              |
| Rural European Policies                            | 15,372         | 11,601         | 11,601         | 0                    | 0.0        | -3,771                | -24.5        | -4,054             | -26.4        | -4,649             | -30.2        | -5,405             | -35.2        |
| Evidence Base                                      | 38             | 38             | 38             | 0                    | 0.0        | 0                     | 0.0          | -1                 | -2.4         | 0                  | 0.0          | -3                 | -7.0         |
| Welsh Food, Fish and Drink Industry                | 1,524          | 1,400          | 1,400          | 0                    | 0.0        | -124                  | -8.1         | -158               | -10.4        | -524               | -34.4        | -594               | -39.0        |
| Common Agriculture Policy and the Countryside      | -205           | -205           | -205           | 0                    | 0.0        | 0                     | 0.0          | 5                  | -2.4         | 0                  | 0.0          | 14                 | -7.0         |
| <b>Total Capital</b>                               | <b>16,729</b>  | <b>12,834</b>  | <b>12,834</b>  | <b>0</b>             | <b>0.0</b> | <b>-3,895</b>         | <b>-23.3</b> | <b>-4,208</b>      | <b>-25.2</b> | <b>-5,173</b>      | <b>-30.9</b> | <b>-5,988</b>      | <b>-35.8</b> |
| Revenue DEL  | 126,560        | 123,722        | 123,964        | 242                  | 0.2        | -2,596                | -2.1         | -5,620             | -4.4         | -3,980             | -3.1         | -12,620            | -10.0        |
| Capital DEL  | 16,729         | 12,834         | 12,834         | 0                    | 0.0        | -3,895                | -23.3        | -4,208             | -25.2        | -5,173             | -30.9        | -5,988             | -35.8        |
| <b>Total DEL</b>                                   | <b>143,289</b> | <b>136,556</b> | <b>136,798</b> | <b>242</b>           | <b>0.2</b> | <b>-6,491</b>         | <b>-4.5</b>  | <b>-9,828</b>      | <b>-6.9</b>  | <b>-9,153</b>      | <b>-6.4</b>  | <b>-18,608</b>     | <b>-13.0</b> |
| Annually Managed Expenditure                       | 0              | 0              | 0              | 0                    | 0.0        | 0                     | 0.0          | 0                  | 0.0          | 0                  | 0.0          | 0                  | 0.0          |
| <b>TOTAL RA</b>                                    | <b>143,289</b> | <b>136,556</b> | <b>136,798</b> | <b>242</b>           | <b>0.2</b> | <b>-6,491</b>         | <b>-4.5</b>  | <b>-9,828</b>      | <b>-6.9</b>  | <b>-9,153</b>      | <b>-6.4</b>  | <b>-18,608</b>     | <b>-13.0</b> |

Source: Members' Research Service calculations from Welsh Government budgets

## 11. Heritage

[Table 15](#) provides information on the overall allocations within the Heritage (HER) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the HER MEG is £156.2 million; this is a reduction of £1.3 million (0.9%) on 2010-11. In real terms this represents a reduction of £5.2 million (3.3%).
- Over the budget period there is a cumulative reduction in total DEL of £5.8million (3.7%); representing a real terms reduction of £16.5 million (10.5%).
- In comparison to the draft budget total DEL for 2011-12 has increased by £5.4 million, or 3.6%.
- Revenue DEL for 2011-12 within the HER MEG is £141.4 million; this is an increase of £2.4 million (1.7%) on 2010-11. In real terms this represents a reduction of £1.0 million (0.7%).
- Over the budget period there is a cumulative increase in revenue DEL of £0.5 million (0.4%); representing a real terms reduction of £9.3 million (6.7%).
- In comparison to the draft budget revenue DEL for 2011-12 has increased by £5.4 million, or 4.0%.
- Capital DEL for 2011-12 within the HER MEG is £14.8 million; this is a reduction of £3.8 million (20.3%) on 2010-11. In real terms this represents a reduction of £4.1 million (22.2%).
- Over the budget period there is a cumulative reduction in capital DEL of £6.3 million (33.9%); representing a real terms reduction of £7.2 million (38.6%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £5.4 million increase in HER DEL since the draft budget is due to a number of revenue transfers, as detailed in [table 1](#). There are transfers into the HER MEG totalling £6.2 million, and transfers out totalling £0.8 million.



**Table 15: Heritage MEG allocations**

| Spending programme area   | 2010-11        | 2011-12        | 2011-12        | Change 2011-12 Draft |            | Change 2010-11 to 11- |              | Real terms change  |              | Cumulative change  |              | Real terms         |              |
|---|----------------|----------------|----------------|----------------------|------------|-----------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|   | Supplementary  | Draft          | Final          | Budget to Final      | per cent   | to 11-                | per cent     | 2010-11 to 2011-12 | per cent     | 2010-11 to 2013-14 | per cent     | 2010-11 to 2013-14 | per cent     |
|   | £000           | £000           | £000           | £000                 |            | £000                  |              | £000               |              | £000               |              | £000               |              |
| <b>Revenue DEL</b>  |                |                |                |                      |            |                       |              |                    |              |                    |              |                    |              |
| Support and sustain a strong arts sector via the Arts Council and others        | 36,530         | 35,437         | 35,417         | -20                  | -0.1       | -1,113                | -3.0         | -1,977             | -5.4         | -867               | -2.4         | -3,381             | -9.3         |
| Museums, Archives and Libraries   | 39,564         | 38,988         | 38,191         | -797                 | -2.0       | -1,373                | -3.5         | -2,304             | -5.8         | -2,119             | -5.4         | -4,758             | -12.0        |
| Delivery of effective sports & physical activity programmes                     | 26,345         | 25,437         | 25,437         | 0                    | 0.0        | -908                  | -3.4         | -1,528             | -5.8         | -1,492             | -5.7         | -3,244             | -12.3        |
| Promote wider use of the Welsh Language via the Welsh Language Board and others | 17,919         | 17,889         | 17,889         | 0                    | 0.0        | -30                   | -0.2         | -466               | -2.6         | 65                 | 0.4          | -1,203             | -6.7         |
| Conserve, protect, sustain and promote access to the historic environment       | 5,540          | 5,509          | 11,712         | 6,203                | 112.6      | 6,172                 | 111.4        | 5,886              | 106.3        | 5,380              | 97.1         | 4,610              | 83.2         |
| Tourism   | 13,064         | 12,747         | 12,747         | 0                    | 0.0        | -317                  | -2.4         | -628               | -4.8         | -438               | -3.4         | -1,328             | -10.2        |
| <b>Total Revenue</b>  | <b>138,962</b> | <b>136,007</b> | <b>141,393</b> | <b>5,386</b>         | <b>4.0</b> | <b>2,431</b>          | <b>1.7</b>   | <b>-1,018</b>      | <b>-0.7</b>  | <b>529</b>         | <b>0.4</b>   | <b>-9,304</b>      | <b>-6.7</b>  |
| <b>Capital DEL</b>  |                |                |                |                      |            |                       |              |                    |              |                    |              |                    |              |
| Support and sustain a strong arts sector via the Arts Council and others        | 1,090          | 460            | 460            | 0                    | 0.0        | -630                  | -57.8        | -641               | -58.8        | -640               | -58.7        | -672               | -61.6        |
| Museums, Archives and Libraries   | 6,602          | 5,673          | 5,673          | 0                    | 0.0        | -929                  | -14.1        | -1,067             | -16.2        | -2,559             | -38.8        | -2,844             | -43.1        |
| Delivery of effective sports & physical activity programmes                     | 1,170          | 345            | 345            | 0                    | 0.0        | -825                  | -70.5        | -833               | -71.2        | -825               | -70.5        | -849               | -72.6        |
| Promote wider use of the Welsh Language via the Welsh Language Board and others | 125            | 75             | 75             | 0                    | 0.0        | -50                   | -40.0        | -52                | -41.5        | 0                  | 0.0          | -9                 | -7.0         |
| Conserve, protect, sustain and promote access to the historic environment       | 6,135          | 5,500          | 5,500          | 0                    | 0.0        | -635                  | -10.4        | -769               | -12.5        | -1,104             | -18.0        | -1,459             | -23.8        |
| Tourism   | 3,500          | 2,790          | 2,790          | 0                    | 0.0        | -710                  | -20.3        | -778               | -22.2        | -1,187             | -33.9        | -1,350             | -38.6        |
| <b>Total Capital</b>  | <b>18,622</b>  | <b>14,843</b>  | <b>14,843</b>  | <b>0</b>             | <b>0.0</b> | <b>-3,779</b>         | <b>-20.3</b> | <b>-4,141</b>      | <b>-22.2</b> | <b>-6,315</b>      | <b>-33.9</b> | <b>-7,183</b>      | <b>-38.6</b> |
| <b>AME</b>  |                |                |                |                      |            |                       |              |                    |              |                    |              |                    |              |
| Museums and Libraries Pensions  | 2,058          | 2,265          | 2,265          | 0                    | 0.0        | 207                   | 10.1         | 152                | 7.4          | 682                | 33.1         | 489                | 23.8         |
| <b>Museums, Archives and Libraries</b>  | <b>2,058</b>   | <b>2,265</b>   | <b>2,265</b>   | <b>0</b>             | <b>0.0</b> | <b>207</b>            | <b>10.1</b>  | <b>152</b>         | <b>7.4</b>   | <b>682</b>         | <b>33.1</b>  | <b>489</b>         | <b>23.8</b>  |
| <b>Total AME</b>  | <b>2,058</b>   | <b>2,265</b>   | <b>2,265</b>   | <b>0</b>             | <b>0.0</b> | <b>207</b>            | <b>10.1</b>  | <b>152</b>         | <b>7.4</b>   | <b>682</b>         | <b>33.1</b>  | <b>489</b>         | <b>23.8</b>  |
| Revenue DEL   | 138,962        | 136,007        | 141,393        | 5,386                | 4.0        | 2,431                 | 1.7          | -1,018             | -0.7         | 529                | 0.4          | -9,304             | -6.7         |
| Capital DEL   | 18,622         | 14,843         | 14,843         | 0                    | 0.0        | -3,779                | -20.3        | -4,141             | -22.2        | -6,315             | -33.9        | -7,183             | -38.6        |
| <b>Total DEL</b>  | <b>157,584</b> | <b>150,850</b> | <b>156,236</b> | <b>5,386</b>         | <b>3.6</b> | <b>-1,348</b>         | <b>-0.9</b>  | <b>-5,159</b>      | <b>-3.3</b>  | <b>-5,786</b>      | <b>-3.7</b>  | <b>-16,486</b>     | <b>-10.5</b> |
| Annually Managed Expenditure  | 2,058          | 2,265          | 2,265          | 0                    | 0.0        | 207                   | 10.1         | 152                | 7.4          | 682                | 33.1         | 489                | 23.8         |
| <b>TOTAL HER</b>  | <b>159,642</b> | <b>153,115</b> | <b>158,501</b> | <b>5,386</b>         | <b>3.5</b> | <b>-1,141</b>         | <b>-0.7</b>  | <b>-5,007</b>      | <b>-3.1</b>  | <b>-5,104</b>      | <b>-3.2</b>  | <b>-15,997</b>     | <b>-10.0</b> |

Source: Members' Research Service calculations from Welsh Government budgets

## 12. Public Services and Performance

[Table 16](#) provides information on the overall allocations within the Public Services and Performance (PSP) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the PSP MEG is £63.8 million; this is a reduction of £6.6 million (9.4%) on 2010-11. In real terms this represents a reduction of £8.2 million (11.6%).
- Over the budget period there is a cumulative reduction in total DEL of £13.3 million (19.0%); representing a real terms reduction of £17.4 million (24.7%).
- In comparison to the draft budget there has been no change to total DEL for 2011.
- Revenue DEL for 2011-12 within the PSP MEG is £46.7 million; this is a reduction of £2.3 million (4.6%) on 2010-11. In real terms this represents a reduction of £3.4 million (6.9%).
- Over the budget period there is a cumulative reduction in revenue DEL of £6.1 million (12.4%); representing a real terms reduction of £9.1 million (18.6%).
- In comparison to the draft budget there has been no change to revenue DEL for 2011-12.
- Capital DEL for 2011-12 within the PSP MEG is £17.1 million; this is a reduction of £4.3 million (20.3%) on 2010-11. In real terms this represents a reduction of £4.8 million (22.2%).
- Over the budget period there is a cumulative reduction in capital DEL of £7.3 million (33.9%); representing a real terms reduction of £8.3 million (38.6%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

There have been no changes or internal transfers within the PSP MEG as compared to the draft budget.

**Table 16: Public Services and Performance MEG allocations**

| Spending programme area                           | 2010-11       | 2011-12       | 2011-12       | Change 2011-12 Draft |               | Change 2010-11 to 11- |                    | Real terms change  |                    | Cumulative change  |                    | Real terms         |              |
|---|---------------|---------------|---------------|----------------------|---------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
|   | Supplementary | Draft         | Final         | Budget to Final      | Budget to 11- | 2010-11 to 2011-12    | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |              |
|   | £000          | £000          | £000          | £000                 | per cent      | £000                  | per cent           | £000               | per cent           | £000               | per cent           | £000               | per cent     |
| <b>Revenue DEL</b>                                |               |               |               |                      |               |                       |                    |                    |                    |                    |                    |                    |              |
| Care and Social Services Inspectorate             | 16,534        | 15,757        | 15,757        | 0                    | 0.0           | -777                  | -4.7               | -1,161             | -7.0               | -2,073             | -12.5              | -3,092             | -18.7        |
| Healthcare Inspectorate Wales                     | 2,963         | 2,824         | 2,824         | 0                    | 0.0           | -139                  | -4.7               | -208               | -7.0               | -372               | -12.6              | -555               | -18.7        |
| Estyn   | 14,080        | 13,437        | 13,437        | 0                    | 0.0           | -643                  | -4.6               | -971               | -6.9               | -1,716             | -12.2              | -2,588             | -18.4        |
| Inspection, Regulation and Performance Frameworks | 510           | 400           | 400           | 0                    | 0.0           | -110                  | -21.6              | -120               | -23.5              | -110               | -21.6              | -138               | -27.1        |
| Local & Regional Collaboration                    | 1,560         | 1,560         | 1,560         | 0                    | 0.0           | 0                     | 0.0                | -38                | -2.4               | -260               | -16.7              | -352               | -22.5        |
| Efficiency and Innovation                         | 3,321         | 3,197         | 3,197         | 0                    | 0.0           | -124                  | -3.7               | -202               | -6.1               | -293               | -8.8               | -506               | -15.2        |
| Match Funding                                     | 10,000        | 9,530         | 9,530         | 0                    | 0.0           | -470                  | -4.7               | -702               | -7.0               | -1,254             | -12.5              | -1,870             | -18.7        |
| <b>Total Revenue</b>                              | <b>48,968</b> | <b>46,705</b> | <b>46,705</b> | <b>0</b>             | <b>0.0</b>    | <b>-2,263</b>         | <b>-4.6</b>        | <b>-3,402</b>      | <b>-6.9</b>        | <b>-6,078</b>      | <b>-12.4</b>       | <b>-9,101</b>      | <b>-18.6</b> |
| <b>Capital DEL</b>                                |               |               |               |                      |               |                       |                    |                    |                    |                    |                    |                    |              |
| Estyn   | 425           | 339           | 339           | 0                    | 0.0           | -86                   | -20.2              | -94                | -22.2              | -144               | -33.9              | -164               | -38.5        |
| Match Funding                                     | 21,000        | 16,738        | 16,738        | 0                    | 0.0           | -4,262                | -20.3              | -4,670             | -22.2              | -7,122             | -33.9              | -8,100             | -38.6        |
| <b>Total Capital</b>                              | <b>21,425</b> | <b>17,077</b> | <b>17,077</b> | <b>0</b>             | <b>0.0</b>    | <b>-4,348</b>         | <b>-20.3</b>       | <b>-4,765</b>      | <b>-22.2</b>       | <b>-7,266</b>      | <b>-33.9</b>       | <b>-8,264</b>      | <b>-38.6</b> |
| Revenue DEL                                       | 48,968        | 46,705        | 46,705        | 0                    | 0.0           | -2,263                | -4.6               | -3,402             | -6.9               | -6,078             | -12.4              | -9,101             | -18.6        |
| Capital DEL                                       | 21,425        | 17,077        | 17,077        | 0                    | 0.0           | -4,348                | -20.3              | -4,765             | -22.2              | -7,266             | -33.9              | -8,264             | -38.6        |
| <b>Total DEL</b>                                  | <b>70,393</b> | <b>63,782</b> | <b>63,782</b> | <b>0</b>             | <b>0.0</b>    | <b>-6,611</b>         | <b>-9.4</b>        | <b>-8,167</b>      | <b>-11.6</b>       | <b>-13,344</b>     | <b>-19.0</b>       | <b>-17,365</b>     | <b>-24.7</b> |
| Annually Managed Expenditure                      | 0             | 0             | 0             | 0                    | 0.0           | 0                     | 0.0                | 0                  | 0.0                | 0                  | 0.0                | 0                  | 0.0          |
| <b>TOTAL PSP</b>                                  | <b>70,393</b> | <b>63,782</b> | <b>63,782</b> | <b>0</b>             | <b>0.0</b>    | <b>-6,611</b>         | <b>-9.4</b>        | <b>-8,167</b>      | <b>-11.6</b>       | <b>-13,344</b>     | <b>-19.0</b>       | <b>-17,365</b>     | <b>-24.7</b> |

Source: Members' Research Service calculations from Welsh Government budgets

### 13. Central Services and Administration

[Table 17](#) provides information on the overall allocations within the Central Services and Administration (CSA) MEG at the level of the spending programme area, and shows changes since the draft budget.

- Total DEL for 2011-12 within the CSA MEG is £330.6 million; this is a reduction of £35.0 million (9.6%) on 2010-11. In real terms this represents a reduction of £43.1 million (11.8%).
- Over the budget period there is a cumulative reduction in total DEL of £61.3 million (16.8%); representing a real terms reduction of £82.7 million (22.6%).
- In comparison to the draft budget total DEL for 2011-12 has decreased by £15.9 million, or 4.6%.
- Revenue DEL for 2011-12 within the CSA MEG is £318.6 million, this is a reduction of £32.0 million (9.1%) on 2010-11. In real terms this represents a reduction of £39.8 million (11.3%).
- Over the budget period there is a cumulative reduction in revenue DEL of £56.2 million (16.0%); representing a real terms reduction of £76.9 million (21.9%).
- In comparison to the draft budget revenue DEL for 2011-12 has decreased by £15.9 million, or 4.8%.
- Capital DEL for 2011-12 within the CSA MEG is £12.0 million, this is a reduction of £3.1 million (20.3%) on 2010-11. In real terms this represents a reduction of £3.3 million (22.2%).
- Over the budget period there is a cumulative reduction in capital DEL of £5.1 million (33.9%); representing a real terms reduction of £5.8 million (38.6%)
- There has been no change to the capital DEL allocation for 2011-12 since the draft budget proposals.

The £15.9 million decrease in CSA DEL since the draft budget is due to a number of revenue transfers, as detailed in [table 1](#). There are no transfers into the CSA MEG.

There has also been a transfer within the CSA MEG, totalling £0.8 million (detailed in [table 1](#)). As this is a transfer within the MEG it has no net impact on the total DEL.

**Table 17: Central Services and Administration MEG allocations**

| Spending programme area                 | 2010-11        | 2011-12        | 2011-12        | Change 2011-12 Draft |             | Change 2010-11 to 11- |              | Real terms change  |                    | Cumulative change  |                    | Real terms         |                    |
|---|----------------|----------------|----------------|----------------------|-------------|-----------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Supplementary  | Draft          | Final          | Budget to Final      | Budget      | 11-                   | 12           | 2010-11 to 2011-12 | 2010-11 to 2011-12 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 | 2010-11 to 2013-14 |
|   | £000           | £000           | £000           | £000                 | per cent    | £000                  | per cent     | £000               | per cent           | £000               | per cent           | £000               | per cent           |
| <b>Revenue DEL</b>                      |                |                |                |                      |             |                       |              |                    |                    |                    |                    |                    |                    |
| Staff Costs and Salaries                | 245,322        | 230,039        | 214,126        | -15,913              | -6.9        | -31,196               | -12.7        | -36,419            | -14.8              | -52,418            | -21.4              | -66,016            | -26.9              |
| Other Central Administration Costs      | 105,266        | 104,478        | 104,478        | 0                    | 0.0         | -788                  | -0.7         | -3,336             | -3.2               | -3,773             | -3.6               | -10,927            | -10.4              |
| <b>Total Revenue</b>                    | <b>350,588</b> | <b>334,517</b> | <b>318,604</b> | <b>-15,913</b>       | <b>-4.8</b> | <b>-31,984</b>        | <b>-9.1</b>  | <b>-39,755</b>     | <b>-11.3</b>       | <b>-56,191</b>     | <b>-16.0</b>       | <b>-76,943</b>     | <b>-21.9</b>       |
| <b>Capital DEL</b>                      |                |                |                |                      |             |                       |              |                    |                    |                    |                    |                    |                    |
| Other Central Administration Costs      | 15,033         | 11,982         | 11,982         | 0                    | 0.0         | -3,051                | -20.3        | -3,343             | -22.2              | -5,098             | -33.9              | -5,798             | -38.6              |
| <b>Total Capital</b>                    | <b>15,033</b>  | <b>11,982</b>  | <b>11,982</b>  | <b>0</b>             | <b>0.0</b>  | <b>-3,051</b>         | <b>-20.3</b> | <b>-3,343</b>      | <b>-22.2</b>       | <b>-5,098</b>      | <b>-33.9</b>       | <b>-5,798</b>      | <b>-38.6</b>       |
| <b>AME</b>                              |                |                |                |                      |             |                       |              |                    |                    |                    |                    |                    |                    |
| Provisions for Early Retirement         | 0              | 924            | 924            | 0                    | 0.0         | 924                   | ..           | 901                | ..                 | -668               | ..                 | -621               | ..                 |
| <b>Total Staff Costs &amp; Salaries</b> | <b>0</b>       | <b>924</b>     | <b>924</b>     | <b>0</b>             | <b>0.0</b>  | <b>924</b>            | <b>..</b>    | <b>901</b>         | <b>..</b>          | <b>-668</b>        | <b>..</b>          | <b>-621</b>        | <b>..</b>          |
| <b>Total AME</b>                        | <b>0</b>       | <b>924</b>     | <b>924</b>     | <b>0</b>             | <b>0.0</b>  | <b>924</b>            | <b>..</b>    | <b>901</b>         | <b>..</b>          | <b>-668</b>        | <b>..</b>          | <b>-621</b>        | <b>..</b>          |
| Revenue DEL                             | 350,588        | 334,517        | 318,604        | -15,913              | -4.8        | -31,984               | -9.1         | -39,755            | -11.3              | -56,191            | -16.0              | -76,943            | -21.9              |
| Capital DEL                             | 15,033         | 11,982         | 11,982         | 0                    | 0.0         | -3,051                | -20.3        | -3,343             | -22.2              | -5,098             | -33.9              | -5,798             | -38.6              |
| <b>Total DEL</b>                        | <b>365,621</b> | <b>346,499</b> | <b>330,586</b> | <b>-15,913</b>       | <b>-4.6</b> | <b>-35,035</b>        | <b>-9.6</b>  | <b>-43,098</b>     | <b>-11.8</b>       | <b>-61,289</b>     | <b>-16.8</b>       | <b>-82,741</b>     | <b>-22.6</b>       |
| Annually Managed Expenditure            | 0              | 924            | 924            | 0                    | 0.0         | 924                   | ..           | 901                | ..                 | -668               | ..                 | -621               | ..                 |
| <b>TOTAL CSA</b>                        | <b>365,621</b> | <b>347,423</b> | <b>331,510</b> | <b>-15,913</b>       | <b>-4.6</b> | <b>-34,111</b>        | <b>-9.3</b>  | <b>-42,197</b>     | <b>-11.5</b>       | <b>-61,957</b>     | <b>-16.9</b>       | <b>-83,362</b>     | <b>-22.8</b>       |

Source: Members' Research Service calculations from Welsh Government budgets