

National Assembly for Wales

Supplementary Budget 2011-12 (Laid February 2012)

February 2012

The Welsh Government's second supplementary budget for 2011-12 was laid before the National Assembly on 7 February 2012. It details a number of transfers within and between portfolios, transfers with the UK Government and allocations from reserves.

This paper is intended to inform scrutiny of the supplementary budget. It provides an overview of the proposed changes, and compares them with the previous Supplementary Budget 2011-12, as agreed by the National Assembly in July 2011. Changes in spending plans are also tracked back to the Final Budget 2011-12 (restated as at June 2011), such comparisons are not produced in the documentation provided by the Welsh Government.

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Enquiry no: 12/0400

National Assembly for Wales

Supplementary Budget 2011-12
(Laid February 2012)

February 2012

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Paper number: 12/009



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Summary

The second supplementary budget for the 2011-12 financial year was laid on 7 February 2012. It details a number of transfers within and between portfolios, transfers with the UK Government and allocations from reserves.

In comparison with the first supplementary budget, changes to the **overall Welsh block include an increase of £195.3 million in total managed expenditure (TME)**. This comprises:

- an **increase of £83.9 million in total departmental expenditure limits (DEL)**, including
 - a **reduction of £25.4 million to revenue DEL**; and
 - an **increase of £109.3 million to capital DEL**.
- an **increase of £111.4 million in annually managed expenditure (AME)**

Changes in **allocations to Welsh Government departments since the first supplementary budget include an increase of £412.9 million in TME**. This comprises:

- an **additional £303.1 million total DEL** including
 - an **additional £123.9 million revenue DEL**; and
 - an **additional £179.2 million capital DEL**
- an **additional £109.8 million AME**.

The reduction of £25.4 million in revenue DEL in the Welsh block is due to:

- **£71.6 million** in transfers from the UK Government
- a reduction in revenue of **£97 million**, which has been switched to capital DEL

Together with allocations from existing reserves (around **£148 million**) and a return from the Assembly Commission in relation to unspent election costs (**£1.8 million**), this accounts for the **additional £123.9 million revenue DEL allocated to Welsh Government departments**.

The increase of £109.3 million increase in capital DEL to the Welsh block is due to:

- **£12.3 million** transferred from the UK Government and
- **£97 million** switched from revenue DEL.

Together with allocations from existing reserves (around **£69.9 million**), this accounts for the **additional £179.2 million capital DEL allocated to Welsh Government departments**.

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1. Overview of Supplementary Budget 2011-12

The second supplementary budget motion¹ for the 2011-12 financial year was laid by the Minister for Finance and Leader of the House (Jane Hutt, AM) on 7 February 2012. This was accompanied by a narrative document² and expenditure allocation tables.³ This supplementary budget amends the previous supplementary budget approved by the National Assembly on 12 July 2011.⁴

The narrative accompanying the current supplementary budget states that:

This Supplementary Budget reflects reprioritisations within portfolios and a number of budget transfers between portfolios. It also makes a number of allocations from reserves, including allocations from the Centrally Retained Capital Fund.⁵

This paper summarise the changes proposed within the current supplementary budget in comparison with both the previous supplementary budget, and the final budget for 2011-12.⁶

The figures shown in this paper are in absolute terms, as figures refer to only the current financial year, no adjustments have been made for inflation.

1.1. *Format of the budget motion*

In September 2011 the Minister for Finance and Leader of the House presented a proposal to the Finance Committee of the National Assembly, to amend the Welsh Government's budget motion by moving to a single expenditure limit, rather than individual control totals for each main expenditure group (MEG)⁷. The Finance Committee reported on this proposal, and agreed on the revised format for budget motions in the future, subject to the agreement of a budget protocol.

The current supplementary budget has been presented on this revised basis. This essentially means that the Welsh Government have **more flexibility to move**

¹ Welsh Government, [Supplementary Budget Motion 2011-12](#), February 2012 [accessed 16 February 2012]

² Welsh Government, [Supplementary Budget 2011-12 Narrative](#), February 2012 [accessed 16 February 2012]

³ Welsh Government, [Supplementary Budget 2011-12 Expenditure Allocations](#), February 2012 [accessed 16 February 2012]

⁴ Welsh Government, [Supplementary Budget 2011-12](#), June 2011. The Finance Committee report on this supplementary budget can be accessed here: [Scrutiny of Supplementary Budget motion 2011-2012 \(Summer 2011\)](#), and the motion approved in Plenary can be accessed here: [RoP, 12 July 2011](#) [accessed 16 February 2012]

⁵ Welsh Government, [Supplementary Budget 2011-12 Narrative](#), February 2012 (page 2) [accessed 16 February 2012]

⁶ It should be noted that the Final Budget 2011-12 figures were restated at the time of the previous supplementary budget (in June 2011) in order to align them with the new portfolio structures. These restated figures for the Final Budget 2011-12 are the ones used for comparison.

⁷ **Main expenditure group (MEG)** - the Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Main expenditure groups (MEG) are at the highest level of this detail and correspond to Ministerial portfolios or ambits. Below MEG level, expenditure is identified by **spending programme areas (SPAs)** and, within these, **actions**.

resources between portfolios, subsequent to this supplementary budget, but prior to the end of the financial year, without the need for a further supplementary budget motion. The narrative document accompanying the supplementary budget confirms that the Minister will provide a report to the Finance Committee on final outturn following the end of the financial year, including details of any significant variations since this supplementary budget.⁸

1.2. Total managed expenditure (TME)

Table 1 provides an overview of total managed expenditure (TME)⁹ in the Welsh block. From this it can be seen that:

- TME within the Welsh block has increased by £195.3 million (1.3%) in comparison with the previous supplementary budget; and by £233.7 million (1.5%) in comparison with the final budget.
- TME allocated to Welsh Government departments has increased by £412.9 million (2.7%) in comparison with the previous supplementary budget; and by £462.5 million (3.1%) in comparison with the final budget.

⁸ Welsh Government, *Supplementary Budget 2011-12 Narrative*, February 2012 (page 3) [accessed 16 February 2012]

⁹ **Total managed expenditure (TME)** - the combined total of the two budget elements annually managed expenditure (AME) and departmental expenditure limits (DEL).

Table 1: Total managed expenditure (TME) in the Welsh block

Main Expenditure Group	2011-12 Final Budget	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Health, Social Services & Children	6,333,690	6,420,941	87,251	1.4	6,647,418	313,728	5.0	226,477	3.5
Local Government & Communities	5,128,910	5,153,048	24,138	0.5	5,207,483	78,573	1.5	54,435	1.1
Business, Enterprise, Technology & Science	321,636	321,636	0	0.0	341,380	19,744	6.1	19,744	6.1
Education & Skills	2,012,830	1,925,476	-87,354	-4.3	1,982,571	-30,259	-1.5	57,095	3.0
Environment & Sustainable Development	311,311	329,709	18,398	5.9	336,137	24,826	8.0	6,428	1.9
Housing, Regeneration & Heritage	531,025	531,175	150	0.0	575,160	44,135	8.3	43,985	8.3
Central Services & Administration	363,274	370,250	6,976	1.9	375,001	11,727	3.2	4,751	1.3
Total Welsh Government TME Allocations	15,002,676	15,052,235	49,559	0.3	15,465,150	462,474	3.1	412,915	2.7
Revenue Reserves	235,432	204,884	-30,548	-13.0	56,806	-178,626	-75.9	-148,078	-72.3
Capital Reserves	50,448	69,880	19,432	38.5	0	-50,448	-100.0	-69,880	-100.0
Assembly Commission	49,322	49,322	0	0.0	47,522	-1,800	-3.6	-1,800	-3.6
Auditor General for Wales	4,853	4,853	0	0.0	5,403	550	11.3	550	11.3
Public Services Ombudsman for Wales	3,854	3,854	0	0.0	5,469	1,615	41.9	1,615	41.9
Direct Charges	675	631	-44	-6.5	631	-44	-6.5	0	0.0
Total Wales TME	15,347,260	15,385,659	38,399	0.3	15,580,981	233,721	1.5	195,322	1.3

Source: Research Service calculations from Welsh Government Budgets.

1.3. Total departmental expenditure limits (DEL)

Table 2 summarises the total departmental expenditure limits (DEL),¹⁰ in the Welsh block. From this it can be seen that:

- Total DEL within the Welsh block has increased by £83.9 million (0.6%) in comparison with the previous supplementary budget; and by £126.8 million (0.8%) in comparison with the final budget.
- Total DEL allocated to Welsh Government departments has increased by £303.1 million (2.1%) in comparison with the previous supplementary budget; and by £357.1 million (2.4%) in comparison with the final budget.

In comparison with the June supplementary budget, the greatest changes in total DEL allocations to Welsh Government departments are as follows:

- The Health, Social Services and Children MEG received the greatest nominal increase: £131.4 million, representing 2.1%.
- The Housing, Regeneration and Heritage MEG received the greatest percentage increase: £44 million, representing 7.3%.
- No MEG received an overall reduction in total DEL.

Overall, the supplementary budget **allocates an additional £303.1 million total DEL to Welsh Government departments.**

Figure 1 shows the percentage change in total DEL to each MEG against the overall change between the two supplementary budgets.

Figure 2 shows what percentage of the additional £303.1 million total DEL has been allocated to each MEG in comparison to the previous supplementary budget.

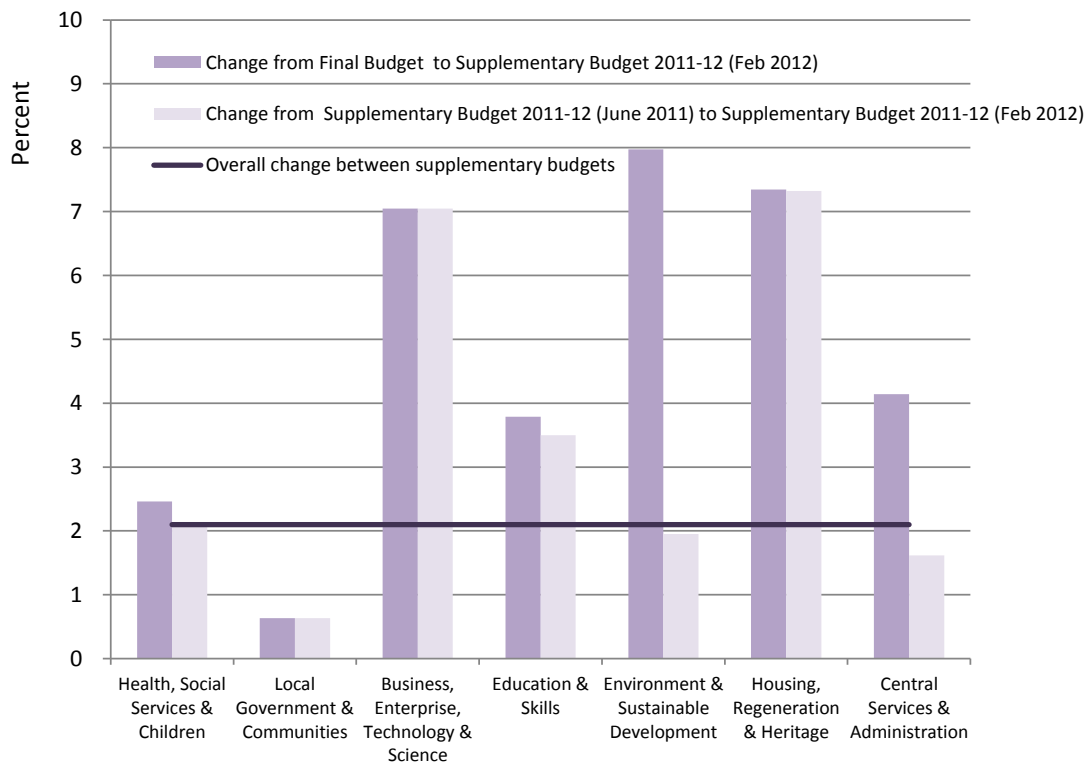
¹⁰ **Departmental expenditure limits (DEL)** - normally set over three or four years as part of the UK Government's Spending Review process, this is the multi-year budget limit for the Welsh Government. Most of the DEL is unhypothecated (the assigned budget, or block grant) and **allows the Welsh Government full discretion over its spending priorities**. Changes in provision for such spend are determined by the Barnett formula.

Table 2: Total DEL in the Welsh block

Main Expenditure Group	2011-12 Final Budget	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Health, Social Services & Children	6,214,742	6,236,242	21,500	0.3	6,367,632	152,890	2.5	131,390	2.1
Local Government & Communities	5,115,327	5,115,327	0	0.0	5,147,874	32,547	0.6	32,547	0.6
Business, Enterprise, Technology & Science	280,234	280,234	0	0.0	299,978	19,744	7.0	19,744	7.0
Education & Skills	1,795,174	1,800,174	5,000	0.3	1,863,173	67,999	3.8	62,999	3.5
Environment & Sustainable Development	311,311	329,709	18,398	5.9	336,137	24,826	8.0	6,428	1.9
Housing, Regeneration & Heritage	600,760	600,910	150	0.0	644,895	44,135	7.3	43,985	7.3
Central Services & Administration	362,350	371,350	9,000	2.5	377,348	14,998	4.1	5,998	1.6
Total Welsh Government DEL Allocations	14,679,898	14,733,946	54,048	0.4	15,037,037	357,139	2.4	303,091	2.1
Revenue Reserves	235,432	204,884	-30,548	-13.0	56,806	-178,626	-75.9	-148,078	-72.3
Capital Reserves	50,448	69,880	19,432	38.5	0	-50,448	-100.0	-69,880	-100.0
Assembly Commission	48,822	48,822	0	0.0	47,022	-1,800	-3.7	-1,800	-3.7
Auditor General for Wales	4,853	4,853	0	0.0	5,403	550	11.3	550	11.3
Public Services Ombudsman for Wales	3,854	3,854	0	0.0	3,854	0	0.0	0	0.0
Direct Charges	675	631	-44	-6.5	631	-44	-6.5	0	0.0
Total Wales DEL	15,023,982	15,066,870	42,888	0.3	15,150,753	126,771	0.8	83,883	0.6

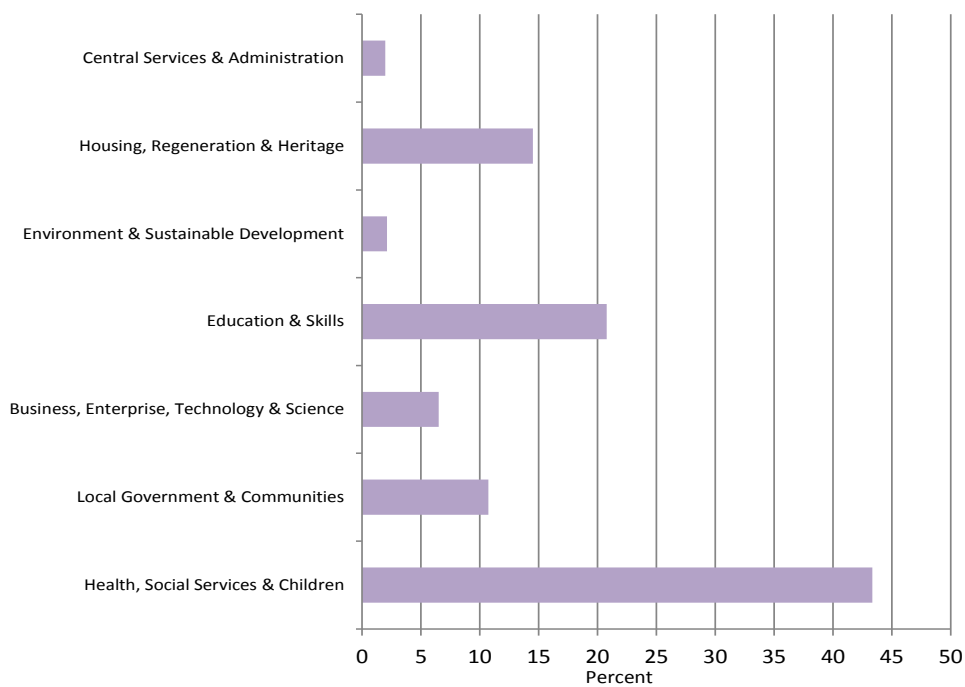
Source: Research Service calculations from Welsh Government Budgets.

Figure 1: Per cent change in total DEL to each MEG



Source: Research Service calculations from Welsh Government Budgets.

Figure 2: Percentage of additional DEL allocated to each MEG, in comparison to previous supplementary budget



Source: Research Service calculations from Welsh Government Budgets.

1.4. *Annually managed expenditure (AME)*

Table 3 shows the annually managed expenditure (AME)¹¹ allocations in the Welsh block. From this it can be seen that:

- AME within the Welsh block has increased by £111.4 million (35.0%) in comparison with the previous supplementary budget; and by £107 million (33.1%) in comparison with the final budget.
- AME allocated to Welsh Government departments has increased by £109.8 million (34.5%) in comparison with the previous supplementary budget; and by £105.3 million (32.6%) in comparison with the final budget.

In comparison with the June supplementary budget, the greatest changes in AME allocations to Welsh Government departments are as follows:

- The Health, Social services and Children MEG received the greatest nominal increase: £95.1 million, representing 51.5%.
- The Local Government and Communities MEG received the greatest percentage increase: £21.9 million, representing 58.0%.
- The Education and Skills MEG received the greatest nominal reduction: £5.9 million, representing 4.7%.
- The Central Services and Administration MEG received the greatest percentage reduction: £1.2 million, or over 100 per cent.

Overall, the supplementary budget allocates an **additional £109.8 million AME to Welsh Government departments**. There is also an **allocation of £1.6 million AME to the Public Services Ombudsman** to make provision for a pension deficit as detailed in the Ombudsman's 2012-13 Estimates.¹

¹¹ **Annually managed expenditure (AME)** – is less predictable than departmental expenditure limits (DEL). It covers spend which is generally demand-led and therefore provision cannot reasonably be subject to multi-year limits, (for example, the issue of student loans). This is reviewed and set twice a year by HM Treasury. AME can only be allocated to the purpose for which it is assigned; therefore the **Welsh Government has no discretion over its allocation**. Further AME can be drawn from HM Treasury if required, while any unspent AME must be returned.

Table 3: AME in the Welsh block

Main Expenditure Group	2011-12 Final Budget	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Health, Social Services & Children	118,948	184,699	65,751	55.3	279,786	160,838	135.2	95,087	51.5
Local Government & Communities	13,583	37,721	24,138	177.7	59,609	46,026	338.9	21,888	58.0
Business, Enterprise, Technology & Science	41,402	41,402	0	0.0	41,402	0	0.0	0	0.0
Education & Skills	217,656	125,302	-92,354	-42.4	119,398	-98,258	-45.1	-5,904	-4.7
Environment & Sustainable Development	0	0	0	0.0	0	0	0.0	0	0.0
Housing, Regeneration & Heritage	-69,735	-69,735	0	0.0	-69,735	0	0.0	0	0.0
Central Services & Administration	924	-1,100	-2,024	-219.0	-2,347	-3,271	-354.0	-1,247	-113.4
Total Welsh Government AME Allocations	322,778	318,289	-4,489	-1.4	428,113	105,335	32.6	109,824	34.5
Assembly Commission	500	500	0	0.0	500	0	0.0	0	0.0
Public Services Ombudsman for Wales	0	0	0	0.0	1,615	1,615	100.0	1,615	100.0
Total Wales AME	323,278	318,789	-4,489	-1.4	430,228	106,950	33.1	111,439	35.0

Source: Research Service calculations from Welsh Government Budgets.

1.5. Revenue DEL

Table 4 shows the changes to revenue DEL. From this it can be seen that:

- Revenue DEL within the Welsh block has reduced by £25.4 million (0.2%) in comparison with the previous supplementary budget; and by £2 million (0.0%) in comparison with the final budget.
- Revenue DEL allocated to Welsh Government departments has increased by £123.9 million (0.9%) in comparison with the previous supplementary budget; and by £177.9 million (1.3%) in comparison with the final budget.

In comparison with the June supplementary budget, the greatest changes in revenue DEL allocations to Welsh Government departments are as follows:

- The Health, Social Services and Children MEG received the greatest nominal increase: £81.9 million, representing 1.4%.
- The Education and Skills MEG received the greatest percentage increase: £27.9 million, representing 1.7%.
- The Environment and Sustainable Development MEG received the greatest nominal and percentage reduction: £6.7 million, representing 2.5%.

Overall, the supplementary budget **allocates an additional £123.9 million revenue DEL to Welsh Government departments.**

Figure 3 shows the percentage change in revenue DEL to each MEG against the overall change between the two supplementary budgets.

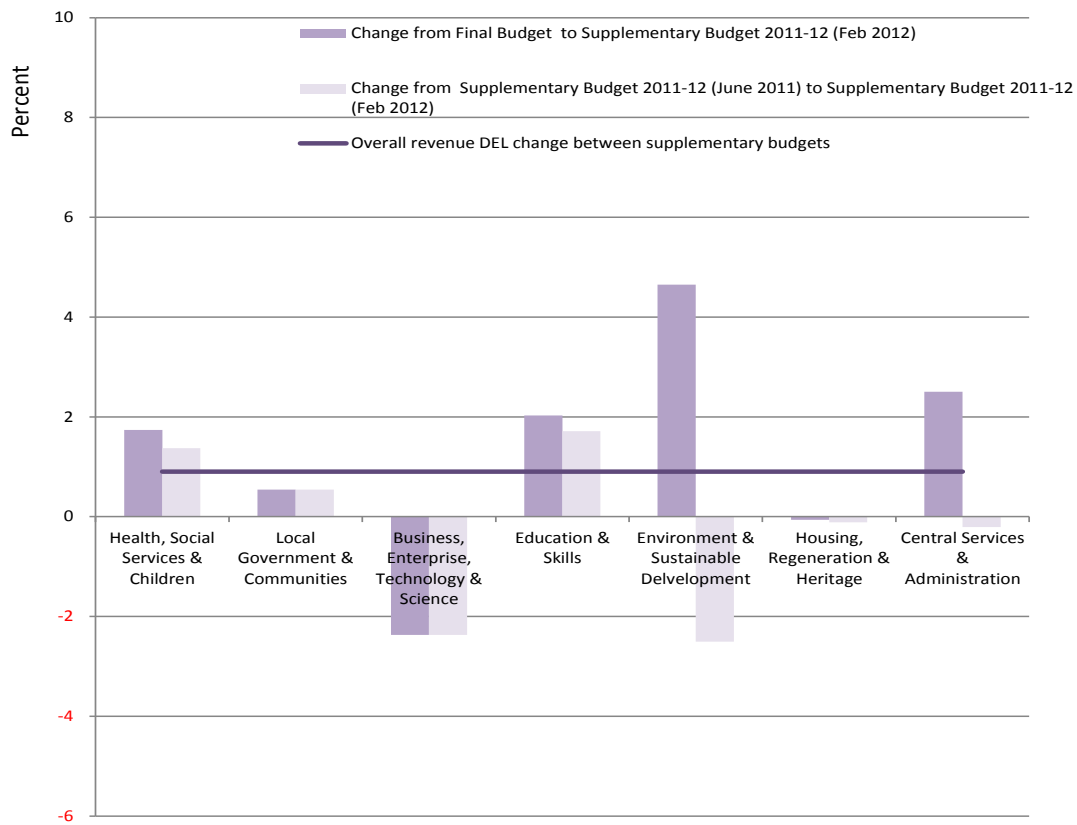
Figure 4 shows what percentage of the additional £123.9 million revenue DEL has been allocated to each MEG in comparison to the previous supplementary budget.

Table 4: Revenue DEL in the Welsh block

Main Expenditure Group	2011-12 Final Budget	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Health, Social Services & Children	5,952,639	5,974,139	21,500	0.4	6,056,009	103,370	1.7	81,870	1.4
Local Government & Communities	4,834,155	4,834,155	0	0.0	4,860,397	26,242	0.5	26,242	0.5
Business, Enterprise, Technology & Science	185,646	185,646	0	0.0	181,245	-4,401	-2.4	-4,401	-2.4
Education & Skills	1,625,201	1,630,201	5,000	0.3	1,658,140	32,939	2.0	27,939	1.7
Environment & Sustainable Development	250,669	269,067	18,398	7.3	262,326	11,657	4.7	-6,741	-2.5
Housing, Regeneration & Heritage	284,022	284,172	150	0.1	283,846	-176	-0.1	-326	-0.1
Central Services & Administration	331,630	340,630	9,000	2.7	339,928	8,298	2.5	-702	-0.2
Total Welsh Government Revenue DEL	13,463,962	13,518,010	54,048	0.4	13,641,891	177,929	1.3	123,881	0.9
Revenue Reserves	235,432	204,884	-30,548	-13.0	56,806	-178,626	-75.9	-148,078	-72.3
Capital Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Assembly Commission	47,706	47,706	0	0.0	45,906	-1,800	-3.8	-1,800	-3.8
Auditor General for Wales	4,853	4,853	0	0.0	5,403	550	11.3	550	11.3
Public Services Ombudsman for Wales	3,839	3,839	0	0.0	3,839	0	0.0	0	0.0
Direct Charges	675	631	-44	-6.5	631	-44	-6.5	0	0.0
Total Wales Revenue DEL	13,756,467	13,779,923	23,456	0.2	13,754,476	-1,991	-0.0	-25,447	-0.2

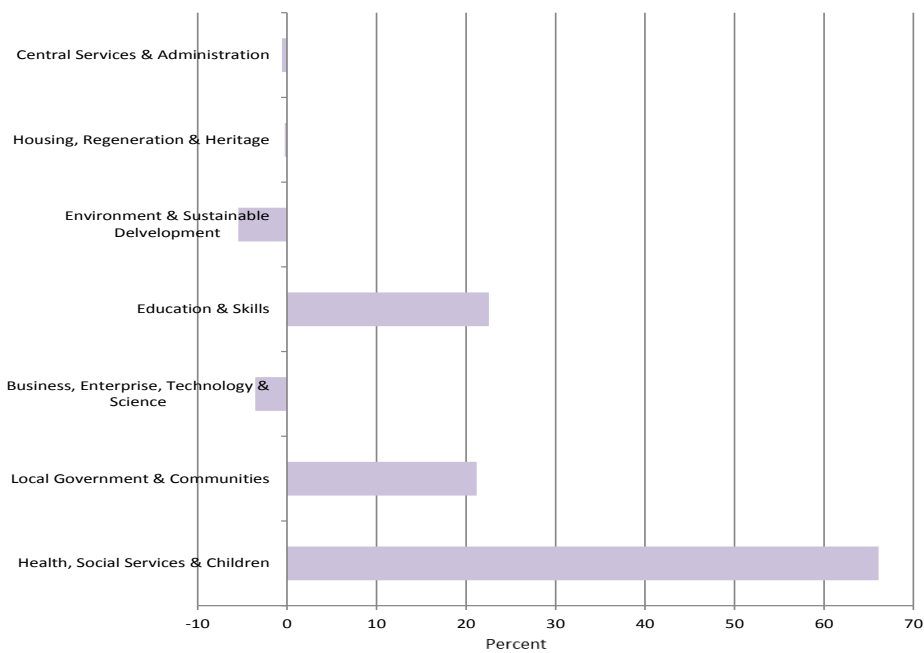
Source: Research Service calculations from Welsh Government Budgets.

Figure 3: Per cent change in revenue DEL to each MEG



Source: Research Service calculations from Welsh Government Budgets.

Figure 4: Percentage of additional revenue DEL allocated to each, in comparison to previous supplementary budget



Source: Research Service calculations from Welsh Government Budgets.

1.6. Capital DEL

Table 5 shows the changes to capital DEL. From this it can be seen that:

- Capital DEL within the Welsh block has increased by £109.3 million (8.5%) in comparison with the previous supplementary budget; and by £128.8 million (10.2%) in comparison with the final budget.
- Capital DEL allocated to Welsh Government departments has increased by £179.2 million (14.7%) in comparison with the previous supplementary budget; and by the same amounts in comparison with the final budget.

In comparison with the June supplementary budget, the greatest changes in capital DEL allocations to Welsh Government departments are as follows:

- The Health, Social Services and Children MEG received the greatest nominal increase: £49.5 million, representing 18.9%.
- The Business, Enterprise, Technology and Science MEG received the greatest percentage increase: £24.1 million, representing 25.5%.
- There have been no reductions in capital DEL to any MEG.

Overall, the supplementary budget **allocates an additional £179.2 million capital DEL to Welsh Government departments.**

Figure 5 shows the percentage change in capital DEL to each MEG against the overall change between the two supplementary budgets.

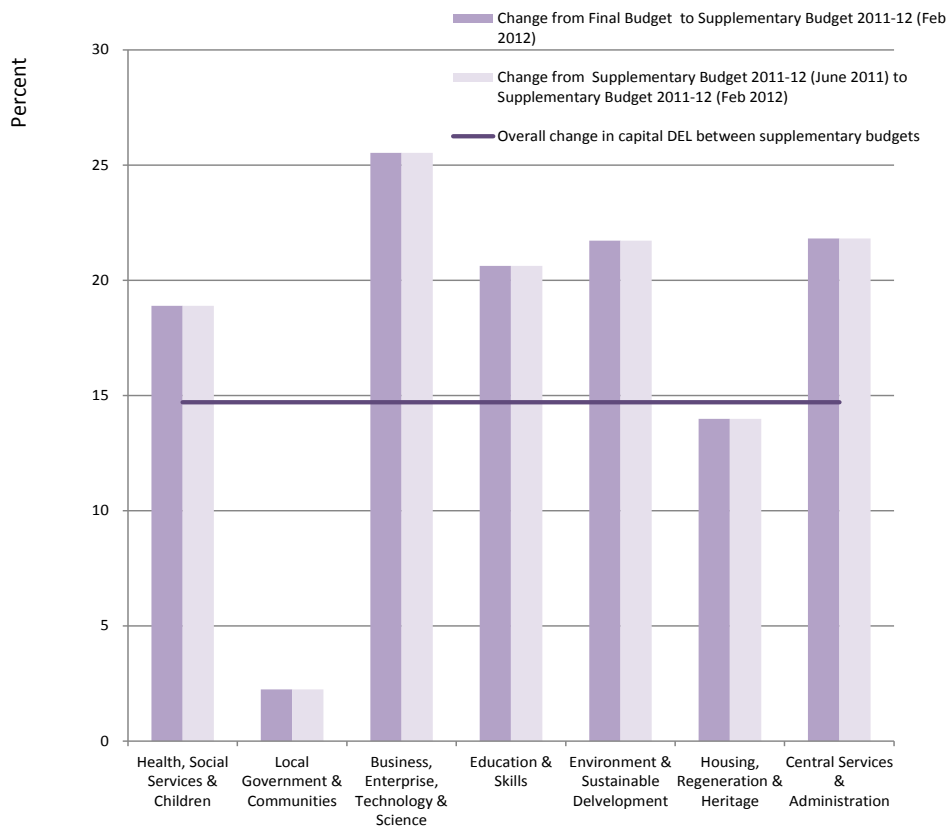
Figure 6 shows what percentage of the additional £179.2 million capital DEL has been allocated to each MEG in comparison to the previous supplementary budget.

Table 5: Capital DEL in the Welsh block

Main Expenditure Group	2011-12 Final Budget	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Health, Social Services & Children	262,103	262,103	0	0.0	311,623	49,520	18.9	49,520	18.9
Local Government & Communities	281,172	281,172	0	0.0	287,477	6,305	2.2	6,305	2.2
Business, Enterprise, Technology & Science	94,588	94,588	0	0.0	118,733	24,145	25.5	24,145	25.5
Education & Skills	169,973	169,973	0	0.0	205,033	35,060	20.6	35,060	20.6
Environment & Sustainable Development	60,642	60,642	0	0.0	73,811	13,169	21.7	13,169	21.7
Housing, Regeneration & Heritage	316,738	316,738	0	0.0	361,049	44,311	14.0	44,311	14.0
Central Services & Administration	30,720	30,720	0	0.0	37,420	6,700	21.8	6,700	21.8
Total Welsh Government Capital DEL Allocations	1,215,936	1,215,936	0	0.0	1,395,146	179,210	14.7	179,210	14.7
Revenue Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Capital Reserves	50,448	69,880	19,432	38.5	0	-50,448	-100.0	-69,880	-100.0
Assembly Commission	1,116	1,116	0	0.0	1,116	0	0.0	0	0.0
Auditor General for Wales	0	0	0	0.0	0	0	0.0	0	0.0
Public Services Ombudsman for Wales	15	15	0	0.0	15	0	0.0	0	0.0
Direct Charges	0	0	0	0.0	0	0	0.0	0	0.0
Total Wales Capital DEL	1,267,515	1,286,947	19,432	1.5	1,396,277	128,762	10.2	109,330	8.5

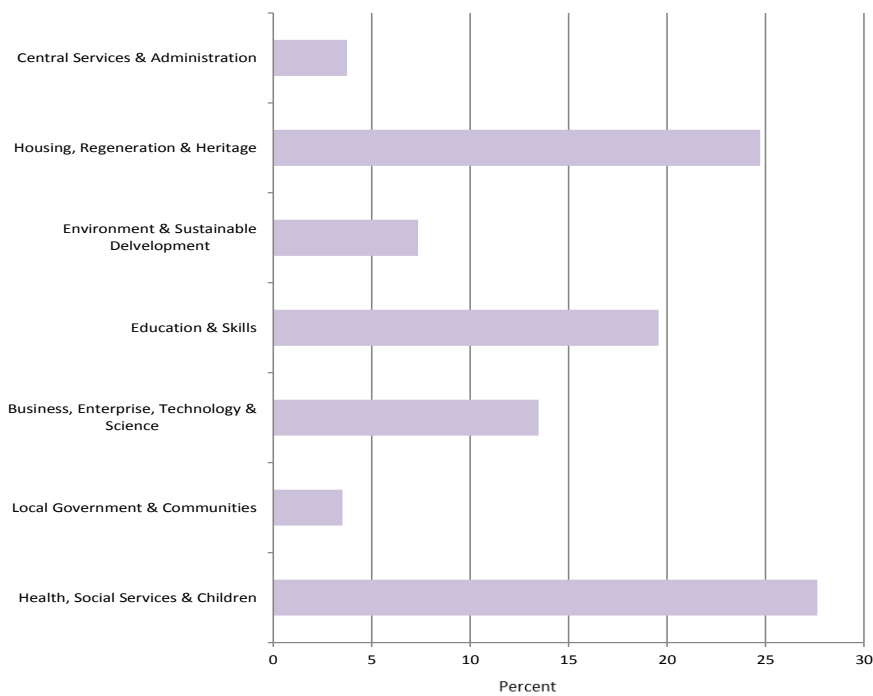
Source: Research Service calculations from Welsh Government Budgets.

Figure 5: Per cent change in capital DEL to each MEG



Source: Research Service calculations from Welsh Government Budgets.

Figure 6: Percentage of additional capital DEL allocated to each MEG , in comparison to previous supplementary budget



Source: Research Service calculations from Welsh Government Budgets.

2. Baseline changes

As can be seen from the above tables, since the supplementary budget there has been an increase in total DEL of around £83.9 million; comprising a revenue DEL decrease of £25.4 million and a capital increase of £109.3 million.

The **£83.9 million increase in total DEL is entirely due to transfers with the UK Government**; these are illustrated in [table 6](#), which shows transfers of fiscal¹² revenue DEL, non fiscal¹³ revenue DEL and capital DEL.

Table 6: Transfers with UK Government

From	To	Fiscal Revenue	Non fiscal Revenue	Capital	Description
		£ millions	£ millions	£ millions	
Department for Environment, Food and Rural Affairs (DEFRA)	Business, Enterprise, Technology and Science (BETS): <i>Meeting the Needs of Rural Communities and Rural Proofing WG Actions</i> (via Reserve)	1.2			For supplementary funding to local authorities to deliver animal health and welfare enforcement priorities and maintain the Animal Movements Licensing System
Environment and Sustainable Development (ESD): <i>Sponsor and Manage Delivery Bodies</i>	DEFRA (via Reserve)		-1.7		For depreciation in relation to the Environment Agency as part of CLoS arrangements.
Central Services and Administration (CSA): <i>Geographical Information</i>	Department of Business, Innovation and Skills (BIS) (via Reserve)	-2.1			For Pan Government Digital Mapping
UK Government	Reserve	38.9			Consequential of council tax freeze
UK Government	Reserve	8.6		0.2	Consequential of Olympics
UK Government	Reserve	1.0			Consequential of Free Advice Service
HM Treasury	Education and Skills (ES): <i>Student Finance and Funding</i> (via Reserve)		25.6		Reserve claim as result of changes to statistical model for calculating non fiscal charge of Student Loan budget
UK Government	Reserve			12.1	Consequential of Growth Fund
TOTAL TRANSFERS WITH UK GOVERNMENT		47.6	24.0	12.3	

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

Together with allocations from existing reserves (around £218 million) and a **£1.8 million return from the Assembly Commission in relation to unspent election costs**, this accounts for the additional £303 million total DEL allocated to Welsh Government departments.

¹² **Fiscal (or near cash)** - a control total used by HM Treasury, this is an accruals measure of transactions which would be expected to turn into cash flow soon. It takes account of differences between resources used and cash flows at the start and end of the financial year. For example, expenditure on gas/electricity is incurred as the fuel is used, although the actual cash payment might be made in arrears on a quarterly basis. Other examples include pay, procurement, revenue grants and subsidies. Excludes non cash costs.

¹³ **Non fiscal (or non cash)** - a control total used by HM Treasury, this is an accruals measure used in budgets to ensure they reflect the full economic cost of activities even though there is no direct link to cash flows during the relevant period. Examples of non cash costs include depreciation, provisions and cost of capital. Such payments will either never give rise to an actual cash cost (e.g. cost of capital), or will only give rise to cash payments years into the future (e.g. provisions). Non cash cannot be used to fund near cash spending.

The reduction of £25.4 million in revenue DEL is due to the £71.6 million in transfers from the UK Government detailed in [table 6](#), offset by a reduction in revenue of £97 million, which has been switched to capital DEL. Together with allocations from existing reserves (around £148 million) and a return from the Assembly Commission in relation to unspent election costs (£1.8 million), this accounts for the additional £123.9 million revenue DEL allocated to Welsh Government departments.

Similarly, the £109.3 million increase in capital DEL is due to the £12.3 million transferred from the UK Government and the £97 million switched from revenue DEL. Together with allocations from existing reserves (around £69.9 million), this accounts for the additional £179.2 million revenue DEL allocated to Welsh Government departments.

The £97 million revenue to capital switch does not impact on the Welsh Government's overall DEL, merely reduces the revenue DEL and increases the capital DEL by an equal amount. Of the £97 million switch:

- **£8 million** has been switched within the **Business, Enterprise, Technology and Science** MEG;
- **£4 million** has been switched within the **Environment and Sustainable Development** MEG;
- **£1.2 million** has been switch within the **Housing, Regeneration and Housing** MEG;
- **£6.7 million** has been switched within the **Central Services and Administration** MEG; and
- The remaining **£77.1 million** has been switched within the reserves.¹⁴

3. Movements on Reserves

This supplementary budget also shows a number of movements on reserves, as detailed in tables [7](#) and [8](#).

Following these movements, the **fiscal revenue reserve is £56.8 million**, whilst **non fiscal and capital reserves are zero**.

The narrative accompanying the supplementary budget states that of the £56.8 million remaining reserve, **£33.2 million is intended to be carried forward**,

¹⁴ The £19.9 million switched from revenue to capital within MEGs is shown as going via the reserves.

under the Budget Exchange System (BES)¹⁵, to the 2012-13 financial year for specific purposes:

- £20 million in relation to the Pupil Deprivation Grant;
- £8.2 million in relation to the Economic Stimulus Package (see [section 3.2](#) for further details);
- £4 million to boost local government borrowing on highways projects; and
- £1 million for Free Advice Services

This leaves **£23.6 million unallocated reserve** to deal with any pressures prior to the end of the 2011-12 financial year. Should this remain at the end of the year it is intended to be carried forward under the BES to the 2012-13 financial year.

As requested by the Assembly's Finance Committee in their report on the Supplementary Budget 2011-12 in July 2011,¹⁶ the narrative accompanying the current supplementary budget provides an annex detailing the **recurrent implications of allocations made from reserves**.¹⁷ Some of these future recurrent allocations have already been made via the Final Budget 2012-13, while others are detailed in the following sections on Centrally Retained Capital allocations and the Economic Stimulus Package. The narrative states that where allocations have not already been made via the Final Budget 2012-13, these:

...will be managed as in-year allocations or will form part of our Budget planning work for the Draft Budget 2013-14.¹⁸

The impact of these recurrences is a **total commitment of £207.6 million over the three years from 2012-13 to 2014-15**.

¹⁵ **Budget Exchange System (BES) - Budget Exchange System (BES)** – further information on BES can be found in the Research Service Quick Guide [Budget Flexibility: EYF and Budget Exchange](#), September 2011. Under the BES, the Welsh Government are able to carry forward underspends, up to an agreed cap. Unlike Whitehall departments, there is no requirement to inform the Treasury in advance of the following year of the expected underspend in order to carry over the funding. However, if the devolved administration chooses to inform Treasury of its planned underspend (by early December) then it will be able to access the carry over earlier in the next financial year. The agreed cap under BES is **0.6% of revenue DEL and 1.5% of capital DEL**; meaning the caps for this year will be £79.8 million fiscal revenue and £20.9 million capital. [accessed 16 February 2012]

¹⁶ National Assembly for Wales, Finance Committee, [Scrutiny of Supplementary Budget motion 2011-2012 \(Summer 2011\)](#), July 2011 [accessed 16 February 2012]

¹⁷ Welsh Government, [Supplementary Budget 2011-12 Narrative](#), February 2012 (Annex 2 page56) [accessed 16 February 2012]

¹⁸ Welsh Government, [Supplementary Budget 2011-12 Narrative](#), February 2012 (page 4) [accessed 16 February 2012]

Table 7: Movements on Revenue Reserves

Movement	Fiscal £ millions	Non fiscal £ millions	Description
Supplementary Budget 11-12 (June 2011)	178.9	25.9	Reserve levels following June 2011 supplementary budget
Baseline adjustments	-49.4	23.9	
Transfers with UK Government	-0.9	23.9	
Consequentials from UK Government	48.5		
Revenue to capital switch	-97.0		
Health, Social Services & Children (HSSC)	-93.0	0.0	
To HSSC: <i>NHS Delivery</i>	-93.0		To support service improvements and efficiencies.
Local Government & Communities (LGC)	0.0	-16.7	
To LGC: <i>Improve and maintain trunk road network (Domestic Routes) Non cash</i>		-5.3	Impairments and depreciation
To LGC: <i>Improve International Connectivity - Non cash</i>		-11.3	Impairments and depreciation
Business, Enterprise, Technology & Science (BETS)	6.8	-2.3	
To BETS: <i>Delivery Property Related infrastructure - Non cash</i>		-0.5	
To BETS: <i>Corporate Programmes</i>		-0.3	Depreciation charges following a review of non cash
To BETS: <i>Manage Delivery of Structural Fund programmes in Wales</i>		-1.4	
To BETS: <i>Meeting the needs of rural communities and rural proofing WG actions</i>	-1.2		Transfer from DEFRA for supplementary funding to local authorities to deliver animal health and welfare enforcement priorities and maintain the animal Movements Licensing System
Revenue to capital switch within MEG	8.0		
Education & Skills (ES)	-0.7	-25.6	
To ES: <i>Business & Skills</i>	-0.7		Allocation relating to Economic Stimulus package
To ES: <i>Student Finance and Funding</i>		-25.6	Transfer from HM Treasury regarding charge on student loans
Environment & Sustainable Development (ESD)	4.9	1.7	
From ESD: <i>Implementing the new woodland strategy through Forestry Commission Wales</i>	0.9		Due to increased windfarm receipts
To ESD: <i>Developing an appropriate evidence base to support the work of the department</i>	-0.0		For increased farm valuation
From ESD: <i>Sponsor and Manage Delivery Bodies</i>		1.7	Transfer to DEFRA
Revenue to capital switch within MEG	4.0		
Housing, Regeneration & Heritage (HRH)	1.2	-0.8	
To HRH: <i>Increase the supply & choice of housing</i>		-0.8	Impairments in value of land held for affordable housing developments.
Revenue to capital switch within MEG	1.2		
Central Services & Administration (CSA)	6.8	-6.2	
To CSA: <i>Invest-to-Save</i>	-2.0		For Invest-to-Save projects
To CSA: <i>Capital charges</i>		-6.2	Depreciation & impairments due to increased capital investment in administrative asset base
From CSA: <i>Geographical Information</i>	2.1		Transfer to UK Department BIS
Revenue to capital switch within MEG	6.7		
Wales Audit Office	-0.6	0.0	To meet revised budget as approved by Public Accounts Committee
NAW Commission	1.8	0.0	Identified underspend - unused election budget
Supplementary Budget 2011-12 (Feb 2012)	56.8	0.0	Reserve remaining following proposals in February 2011 supplementary budget

Welsh Government, Supplementary Budget 2011-12, February 2012

Sum may not add to totals due to rounding.

The £0.7m transferred to ESD from reserves in relation to the Economic Stimulus Package is stated in the narrative document to have come from capital reserves. Research Service communication with Welsh Government officials confirmed that this is an error and the allocation has in fact been made from the revenue reserve.

Table 8: Movements on Capital Reserve

Movement	£ millions	Description
Supplementary Budget 11-12 (June 2011)	69.9	Reserve levels following June 2011 supplementary budget
Baseline adjustments	109.3	
Consequential from UK Government	12.3	
Revenue to capital switch	97.0	
Health, Social Services & Children (HSSC)	-49.5	
To HSSC: <i>NHS Delivery</i>	-48.4	CRC allocations.
To HSSC: <i>NHS Delivery</i>	-1.1	Wrexham Ambulance Resource Centre
Local Government & Communities (LGC)	-6.3	
To LGC: <i>Improve and maintain trunk road network (Domestic Routes)</i>	-3.3	CRC allocations
To LGC: <i>Improve public Transport (Rail)</i>	-3.0	CRC allocations
Business, Enterprise, Technology & Science (BETS)	-24.1	
To BETS: <i>Finance Wales</i>	-15.0	CRC allocation
From BETS: <i>Finance Wales</i>	12.8	In-year loan repayments on borrowings of Finance Wales plc
To BETS: <i>Deliver Property Related Infrastructure</i>	-5.0	Economic Stimulus Package
To BETS: <i>Deliver Property Related Infrastructure</i>	-3.5	Economic Stimulus Package
To BETS: <i>Delivering the Programmes within the Rural Development Plan</i>	-2.4	CRC allocation
To BETS: <i>Developing the Visitor Experience</i>	-3.0	CRC allocation
Revenue to capital switch within MEG	-8.0	
Education & Skills (ES)	-35.1	
To ES: <i>General Capital</i>	-9.3	Economic Stimulus Package
To ES: <i>General Capital</i>	-22.3	CRC allocations
To ES: <i>General Capital</i>	-3.0	Bridgend - Gateway to the Valleys project
To ES: <i>General Capital</i>	-0.5	Refurbishment and new build of secondary schools in Dinefwr region
Environment & Sustainable Development (ESD)	-13.2	
To ESD: <i>Develop & implement climate change, emission prevention & fuel poverty policy, communications, legislation & regulation</i>	-3.0	Economic Stimulus Package
To ESD: <i>Develop & implement climate change, emission prevention & fuel poverty policy, communications, legislation & regulation</i>	-2.0	Arbed energy efficiency scheme
To ESD: <i>Manage & implement the Waste Strategy & waste procurement</i>	-2.0	CRC allocation
To ESD: <i>Develop & implement flood & coastal risk, water & sewage policy & legislation</i>	-2.2	Flood & coastal erosion projects
Revenue to capital switch within MEG	-4.0	

Table 8: Movements on Capital Reserve (continued)

Movement	£ millions	Description
Housing, Regeneration & Heritage (HRH)	-44.4	
To HRH: <i>Enable people to live independent lives</i>	-1.5	CRC allocation
To HRH: <i>Increase the supply and choice of housing action</i>	-1.5	CRC allocation
To HRH: <i>Increase the supply and choice of housing action</i>	-8.9	To fund housing schemes through Social Housing Grant
To HRH: <i>Increase the supply and choice of housing action</i>	-9.3	Economic Stimulus Package
To HRH: <i>Implementation of Strategic Regeneration Areas</i>	-17.5	Ebbw Vale major works project
To HRH: <i>Implementation of Strategic Regeneration Areas</i>	-1.0	CRC allocation
To HRH: <i>Implementation of Strategic Regeneration Areas</i>	-1.5	Regeneration projects in Heads of the Valleys
To HRH: <i>Foster useage & lifelong learning through Library Services</i>	-1.0	CRC allocation
To HRH: <i>Conserve, protect, sustain and promote access to the historic environment</i>	-1.0	CRC allocation
Revenue to capital switch within MEG	-1.2	
Central Services & Administration (CSA)	-6.7	
Revenue to capital switch within MEG	-6.7	
Supplementary Budget 2011-12 (Feb 2012)	0.0	Reserve remaining following proposals in February 2011 supplementary budget

Welsh Government, Supplementary Budget 2011-12, February 2012
Sum may not add to totals due to rounding.

3.1. Centrally Retained Capital Allocations

The supplementary budget makes **£105.4 million in allocations from the capital reserve in relation to projects funded from Centrally Retained Capital (CRC).**

During her appearance before the previous Assembly's Finance Committee in relation to their capital inquiry, the then Minister for Business and Budget (Jane Hutt AM) wrote to the Committee detailing indicative allocations for 2011-12 to 2013-14 in relation to CRC.¹⁹

Table 9 shows the allocations made in the current supplementary budget in comparison to these indicative allocations. From this it can be seen that:

- the allocations for 2011-12 are in agreement with the indicative allocations; and
- a **further £16.4 million** remains to be allocated to these projects in 2012-13 and 2013-14.

In November 2011, the Minister for Finance and Leader of the House (Jane Hutt) released a statement in relation to further awards from the CRC fund of **£43.6 million in 2012-13, and £43.7 million in 2013-14.**²⁰ The projects referred to in this statement are in addition to those indicative allocations shown in **table 9**, and as this statement refers to future financial years, **no allocations are made in this supplementary budget** in relation to the projects referred to in this statement.

One of the projects mentioned in this statement refers to the Wrexham Ambulance Resource Centre, which is to receive £2.72 million in future years from the CRC Fund. It is interesting to note that this supplementary budget allocates £3.75 million to this project from the capital reserve in 2011-12, but **not** as part of the CRC allocations.

¹⁹ National Assembly for Wales, Finance Committee, Inquiry into the Allocation of Capital Funds, *Letter from Minister for Business and Budget to Finance Committee*, 30 March 2011 [accessed 16 February 2012]

²⁰ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), *Centrally Retained Capital*, Cabinet Written Statement, 23 November 2011 [accessed 16 February 2012]

Table 9: CRC allocations in comparison to indicative allocations

Project	Proposed CRC award	2011-12	2012-13	2013-14	<i>£million</i>
					Allocation in Supplementary Budget 2011-12 (Feb 2012)
Integrated Health and Social Services for Communities of BUILT Wells	4.01	4.01	0.00	0.00	4.0
Merthyr Health Park	18.43	18.43	0.00	0.00	18.4
Hazard Area Response Team (HART)	3.75	3.75	0.00	0.00	3.8
Morrison redevelopment	22.23	22.23	0.00	0.00	22.2
Health, Social Services and Children	48.42	48.42	0.00	0.00	48.4
Enhancements to the railway infrastructure on the Cardiff Valleys network	2.96	2.96	0.00	0.00	3.0
A470 Maes yr Helmau to Cross Foxes improvement	5.19	1.35	1.92	1.92	1.3
A470 Gelligemlyn	6.00	2.00	2.00	2.00	2.0
Local Government and Communities	14.15	6.31	3.92	3.92	6.3
Online Services for Rural Payments	7.95	2.40	2.90	2.65	2.4
Projects to support business and enterprise ¹	15.00	15.00	0.00	0.00	15.0
Tourism Investment Support Scheme	3.00	3.00	0.00	0.00	3.0
Business, Enterprise, Technology and Science	25.95	20.40	2.90	2.65	20.4
Dinefwr Cluster Tri-level reform	8.00	8.00	0.00	0.00	8.0
Transforming Post-16 Education (Merthyr)	7.00	7.00	0.00	0.00	7.0
Bridgend - Gateway to the Valleys 11-18 Schools	7.30	7.30	0.00	0.00	7.3
Education and Skills	22.30	22.30	0.00	0.00	22.3
Waste Infrastructure Programme	2.00	2.00	0.00	0.00	2.0
Environment and Sustainable Development	2.00	2.00	0.00	0.00	2.0
Eco Lighting	1.00	1.00	0.00	0.00	1.0
NLW - Transfer of ITV archives	0.97	0.97	0.00	0.00	1.0
Merthyr Tydfil Old Town Hall	4.00	1.00	1.50	1.50	1.0
Physical Adaptation and Disabled Facilities Grants	3.00	3.00	0.00	0.00	3.0
Housing, Regeneration and Heritage	8.97	5.97	1.50	1.50	6.0
Total CRC allocated recommended	121.79	105.40	8.32	8.07	105.4

Source: [Letter from Minister for Business and Budget to Finance Committee](#), 30 March 2011 and Supplementary Budget 2011-12, February 2012

Notes:

1 When announced this was titled 'New Growth Capital Fund' and was stated to be on hold pending results of a feasibility study. At the time of the Draft Budget 2012-13 it was stated that BETS were developing specific project proposals to replace this previously approved Fund. These are stated to include a proposal aimed at improving access to finance for micro businesses in Wales. The allocation is confirmed in the Supplementary Budget to be providing some of the funding in relation to the Welsh Government's £20m contribution to the £40 million SME Investment Fund as detailed in Welsh Government, Edwina Hart (Minister for Business, Enterprise, Technology and Science), [£55million Economic Stimulus Package](#), Cabinet Written Statement, 16 November 2011.

3.2. *Economic Stimulus Package*

In November 2011, the Minister for Finance and Leader of the House (Jane Hutt) detailed how the Welsh Government intends to utilise the **£38.9 million consequential as a result of the council tax freeze in England**.²¹ Of the £38.9 million, **£30.7 million** is allocated via this supplementary budget for the 2011-12 financial year; the remaining **£8.2 million** is to be carried forward under BES to the 2012-13 financial year, and allocations have been made in relation to this via the Final Budget 2012-13.²²

The £30.7 million included in this supplementary budget has been allocated from reserves as follows:

- **£0.7 million** to Education and Skills in relation to the **Young Recruits Programme**. This is intended to fund an additional 800 apprenticeships in 2011-12.
- **£9.3 million** to Education and Skills for **capital investment in schools** across Wales.
- **£5 million** to Business, Enterprise, Technology and Science for preparation work for the **Ely Mill Housing project**. This is intended to create around 200 jobs each year, beginning in 2011-12.
- **£3.5 million** to Business, Enterprise, Technology and Science for road infrastructure associated with **Enterprise Zones**.
- **£3 million** to Environment and Sustainable Development to expand the **Arbed energy efficiency scheme**.
- **£9.3 million** to Housing, Regeneration and Heritage to deliver a further 130 **affordable homes** across Wales.²³

²¹ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), *Economic Stimulus Package*, Cabinet Written Statement , 28 November 2011 [accessed 16 February 2012]

²² Welsh Government, *Final Budget 2012-13 Explanatory Note*, November 2011 (pages 4-5). This allocates the remaining £8.2 million as follows: **£4.2 million to the Young Recruits Programme, £3 million for Skills Growth Wales, and £1 million in relation to the Ely Mill Housing project**. [accessed 16 February 2012]

²³ In addition to this there is also an allocation of a further £8.9 million from capital reserves to fund housing schemes through the Social Housing Grant, but this is outwith the Economic Stimulus Package.

4. Transfers within/between Welsh Government departments

The supplementary budget details a number of transfers both within and between MEGs. Transfers between MEGs are all in relation to revenue DEL and have a **net impact of zero on overall allocations**. These are detailed in [table 10](#).

Table 10: Revenue DEL transfers between MEGs

From	£000s	To	£000s	Description
Health, Social Services and Children (HSSC)				Net movement: -£11.13 million
CSA: General Administration	-257	HSSC: NHS Delivery	257	Welsh Health Specialised Services Committee running costs
CSA: Invest-to-Save	-1,564	HSSC: NHS Delivery	1,564	To fund various Invest to Save projects
HSSC: Support Education and Training of the NHS Workforce	-1,834	ES: Higher Education	1,834	Payments to Cardiff University to support medical and dental training
HSSC: Adult and older people	-11,117	LGC: Funding Support for Local Government	11,117	Transfer of Older Peoples' Grant and First Steps Improvement Package into the RSG
Local Government and Communities (LGC)				Net movement: £9.583 million
HSSC: Adult and older people	-11,117	LGC: Funding Support for Local Government	11,117	Transfer of Older Peoples' Grant and First Steps Improvement Package into the RSG
LGC: Communities First	-1,500	CSA: Community Cohesion	1,500	For mainstreaming equality and diversity
LGC: Communities First	-99	Unknown		No details
LGC: Local Government Performance and Improvement	-65	Unknown		No details
		LGC: Develop Sustainable Travel	130	No details
Business, Enterprise, Technology and Science (BETS)				Net movement: £0.1 million
BETS: Deliver ICT Infrastructure	-3,900	CSA: Invest-to-Save	3,900	In respect of early repayments of previous rounds in Invest-to-Save funding
CSA: Invest-to-Save	-4,000	BETS: Deliver ICT Infrastructure	4,000	For Round IV funding for public sector broadband projects
Education and Skills (ES)				Net movement: £1.689 million
HSSC: NHS Delivery	-1,834	ES: Higher Education	1,834	Payments to Cardiff University to support medical and dental training
		ES: School Leadership & Effectiveness	65	No details
ES: Support for Learners	-210	Unknown		No details
Environment and Sustainable Development (ESD)				Net movement: -£0.2 million
ESD: Develop & deliver overarching policy & programmes on sustainable development & environment	-90	Unknown		No details
ESD: Promote protected landscapes & countryside access	-130	Unknown		No details
Housing, Regeneration and Heritage (HRH)				Net movement: £0.1 million
Unknown		HRH: Implementation of strategic regeneration areas	99	No details
Central Services and Administration (CSA)				Net movement: -£0.121 million
CSA: General Administration	-257	HSSC: NHS Delivery	257	Welsh Health Specialised Services Committee running costs
Unknown		CSA: Public Appointments	210	No details
BETS: Deliver ICT Infrastructure	-3,900	CSA: Invest-to-Save	3,900	In respect of early repayments of previous rounds in Invest-to-Save funding
CSA: Invest-to-Save	-4,000	BETS: Deliver ICT Infrastructure	4,000	For Round IV funding for public sector broadband projects
CSA: Invest-to-Save	-1,564	HSSC: NHS Delivery	1,564	To fund various projects - net of repayments from other projects
Unknown		CSA: International Development	90	No details
LGC: Communities First	-1,500	CSA: Community Cohesion	1,500	For mainstreaming equality and diversity
TOTAL MOVEMENT BETWEEN MEGS	-48,938		48,938	Net movement: Zero

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

Details of transfers within MEGs are discussed in the later sections relating to each portfolio. The overall impact of transfers within MEGs is a **switch of £19.9 million from revenue to capital DEL**. These switches have occurred within MEGs (via reserves) as detailed in [section 2](#) on baseline changes.

5. Health, Social Services and Children (HSSC)

Table 11 summarises changes at the spending programme area (SPA)²⁴ level in the HSSC MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the HSSC MEG:

- Shows the largest nominal increase in TME, with a £226.5 million (3.5%) increase.
- This consists of a £131.4 million (2.1%) increase in total DEL, and a £95.1 million (51.5%) increase in AME.
- The change in total DEL comprises an increase of £81.9 million (1.4%) in revenue DEL and an increase of £49.5 million (18.9%) in capital DEL.

The **increase in revenue DEL of £81.9 million** comprises:

- A net reduction of £11.1 million as a result of transfers between MEGs (as detailed in [table 10](#)).
- A net increase of £93 million as a result of an allocation from the fiscal revenue reserves (as detailed in [table 7](#)):
 - £63 million of this is recurrent and is intended to place the NHS on a sustainable financial footing
 - £30 million is allocated to Hywe
 - I Dda health board as part of a four year package to support service transformation.
- There have also been a number of transfers within the MEG, the net result of which is zero. These are summarised, at action²⁵ level in [table 12](#).

The **increase in capital DEL of £49.5 million** is solely due to an allocation from capital reserves (as detailed in [table 8](#)):

- £48.4 million of this is allocated to projects from Centrally Retained Capital (as detailed in [table 9](#))
- £1.1 million is allocated to the Wrexham Ambulance Resource Centre.

There are no capital transfers within or between MEGs in the HSSC portfolio.

²⁴ **Spending programme area (SPA)** - the Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Spending programme areas (SPAs) are the second level of detail below main expenditure groups (MEG) and define discrete groups of allocations according to the type of services to be delivered.

²⁵ **Action** - the Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Actions are the most detailed level published in the budget documentation and indicate policy or initiative areas. However, it should be noted that actions may not necessarily provide detail of allocations at the level of specific policy or programme.

The **£95.1 million increase in AME** is stated to reflect the latest forecasts for provisions and impairments in the NHS and depreciated on donated assets.

Table 11: Changes to HSSC allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
NHS Delivery	5,386,003	5,407,503	21,500	0.4	5,500,320	114,317	2.1	92,817	1.7
Health Central Budgets	212,185	212,185	0	0.0	210,351	-1,834	-0.9	-1,834	-0.9
Public Health & Prevention	155,592	155,592	0	0.0	157,638	2,046	1.3	2,046	1.3
Social Services	188,721	188,721	0	0.0	177,278	-11,443	-6.1	-11,443	-6.1
CAFCASS Cymru	10,138	10,138	0	0.0	10,422	284	2.8	284	2.8
Total Revenue	5,952,639	5,974,139	21,500	0.4	6,056,009	103,370	1.7	81,870	1.4
Capital DEL									
NHS Delivery	247,573	247,573	0	0.0	297,093	49,520	20.0	49,520	20.0
Public Health & Prevention	5,418	5,418	0	0.0	5,418	0	0.0	0	0.0
Social Services Strategy	9,112	9,112	0	0.0	9,112	0	0.0	0	0.0
Total Capital	262,103	262,103	0	0.0	311,623	49,520	18.9	49,520	18.9
AME									
NHS Impairments	118,948	184,699	65,751	55.3	279,786	160,838	135.2	95,087	51.5
Total AME	118,948	184,699	65,751	55.3	279,786	160,838	135.2	95,087	51.5
Revenue DEL	5,952,639	5,974,139	21,500	0.4	6,056,009	103,370	1.7	81,870	1.4
Capital DEL	262,103	262,103	0	0.0	311,623	49,520	18.9	49,520	18.9
Total DEL	6,214,742	6,236,242	21,500	0.3	6,367,632	152,890	2.5	131,390	2.1
Annually Managed Expenditure	118,948	184,699	65,751	55.3	279,786	160,838	135.2	95,087	51.5
Total Health, Social Services & Children	6,333,690	6,420,941	87,251	1.4	6,647,418	313,728	5.0	226,477	3.5

Source: Research Service calculations from Welsh Government Budgets.

Table 12: Transfers within HSSC MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
NHS Delivery	-2,196		Sponsorship of Public Health Bodies	2,196		Funding for Public Health Wales
NHS Delivery	-284		CAFCASS Cymru Programme	284		Running costs for CAFCASS Cymru
Deliver Targeted Health Protection and Immunisation Activity	-622		NHS Delivery	622		Immunisation allocations to General Medical Services contract budget
NHS Delivery	-146		Care Council for Wales action	146		No details
Promote Health Improvement and Healthy Working	-636		Sponsorship of Public Health Bodies	636		In respect of Stop Smoking in School trial, HIV prevention and Childrens' Weight and Height Survey
Childrens'Social Services	-472		Sponsorship of Public Health Bodies	472		New Born Bloodspot Screening
Tackles Health inequalities and Develop Partnership Working	-150		Sponsorship of Public Health Bodies	150		No details
Food Standards Agency	-209		Promote Health Improvement and Healthy Working	209		No details
Net movement	-4,715			4,715		Net transfer zero

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

6. Local Government and Communities (LGC)

Table 13 summarises changes at the SPA level in the LGC MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the LGC MEG:

- Shows an increase in TME of £54.4 million (1.1%).
- This consists of a £32.5 million (0.6%) increase in total DEL, and a £21.9 million (58.0%) increase in AME.
- The change in total DEL comprises an increase of £26.2 million (0.5%) in revenue DEL and an increase of £6.3 million (2.2%) in capital DEL.

The **increase in revenue DEL of £26.2 million** comprises:

- A net increase of £9.6 million as a result of transfers between MEGs (as detailed in [table 10](#)).
- A net increase of £16.7 million as a result of allocations from the revenue reserve, all of which is non fiscal, and relates to impairments and depreciation (as detailed in [table 7](#)).
- There have also been a number of transfers within the MEG, the net result of which is zero. These are summarised, at action level in [table 14](#).

The **increase in capital DEL of £6.3 million** comprises:

- Allocations from capital reserves (as detailed in [table 8](#)), all of which has been allocated to CRC projects, as detailed in [table 9](#).
- There are a number of capital movements within the MEG, these are detailed in [table 14](#).

There is a **£21.9 million increase in AME**. £0.8 million of this reflects the latest forecasts with respect to the Fire and Rescue Authority Pension, and £21.1 million is due to re-profiling of the completion of road schemes.

Table 13: Changes to LGC allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
Local Government Funding	4,209,918	4,209,918	0	0.0	4,217,035	7,117	0.2	7,117	0.2
Supporting Communities and People	58,662	58,662	0	0.0	52,863	-5,799	-9.9	-5,799	-9.9
Safer Communities	43,841	43,841	0	0.0	43,346	-495	-1.1	-495	-1.1
Local Government Policy	37,552	37,552	0	0.0	37,487	-65	-0.2	-65	-0.2
Local Taxation Policy	10,744	10,744	0	0.0	17,344	6,600	61.4	6,600	61.4
Care & Social Services Inspectorate	15,757	15,757	0	0.0	12,857	-2,900	-18.4	-2,900	-18.4
Healthcare Inspectorate Wales	2,824	2,824	0	0.0	2,824	0	0.0	0	0.0
Estyn	13,437	13,437	0	0.0	10,437	-3,000	-22.3	-3,000	-22.3
Inspection, Regulation & Performance Frameworks	400	400	0	0.0	400	0	0.0	0	0.0
Local & Regional Collaboration	1,560	1,560	0	0.0	1,560	0	0.0	0	0.0
Efficiency & Innovation	3,197	3,197	0	0.0	1,192	-2,005	-62.7	-2,005	-62.7
Improve Domestic Connectivity (Regional & National)	234,063	234,063	0	0.0	238,053	3,990	1.7	3,990	1.7
Improve International Connectivity	114,487	114,487	0	0.0	129,542	15,055	13.1	15,055	13.1
Improve Integrate Transport (Local)	84,657	84,657	0	0.0	88,202	3,545	4.2	3,545	4.2
Improve Road Safety & Transport's Impact on the Environment	3,056	3,056	0	0.0	7,255	4,199	137.4	4,199	137.4
Total Revenue	4,834,155	4,834,155	0	0.0	4,860,397	26,242	0.5	26,242	0.5
Capital DEL									
Local Government Funding	20,000	20,000	0	0.0	20,000	0	0.0	0	0.0
Supporting Communities and People	17,280	17,280	0	0.0	14,980	-2,300	-13.3	-2,300	-13.3
Safer Communities	9,156	9,156	0	0.0	10,456	1,300	14.2	1,300	14.2
Estyn	339	339	0	0.0	339	0	0.0	0	0.0
Improve Domestic Connectivity (Regional & National)	83,674	83,674	0	0.0	86,551	2,877	3.4	2,877	3.4
Improve International Connectivity	59,088	59,088	0	0.0	48,212	-10,876	-18.4	-10,876	-18.4
Improve Integrate Transport (Local)	80,713	80,713	0	0.0	96,852	16,139	20.0	16,139	20.0
Improve Road Safety & Transport's Impact on the Environment	10,922	10,922	0	0.0	10,087	-835	-7.6	-835	-7.6
Total Capital	281,172	281,172	0	0.0	287,477	6,305	2.2	6,305	2.2
AME									
Local Government Funding	13,583	13,583	0	0.0	14,382	799	5.9	799	5.9
Improve Domestic Connectivity (Regional & National)	0	24,138	24,138	..	45,227	45,227	..	21,089	87.4
Total AME	13,583	37,721	24,138	177.7	59,609	46,026	338.9	21,888	58.0
Revenue DEL	4,834,155	4,834,155	0	0.0	4,860,397	26,242	0.5	26,242	0.5
Capital DEL	281,172	281,172	0	0.0	287,477	6,305	2.2	6,305	2.2
Total DEL	5,115,327	5,115,327	0	0.0	5,147,874	32,547	0.6	32,547	0.6
Annually Managed Expenditure	13,583	37,721	24,138	177.7	59,609	46,026	338.9	21,888	58.0
Total Local Government & Communities	5,128,910	5,153,048	24,138	0.5	5,207,483	78,573	1.5	54,435	1.1

Source: Research Service calculations from Welsh Government Budgets.

Table 14: Transfers within LGC MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Funding Support for Local Government	-4,000		Unknown			Result of Home Office decisions on Police Grant
Communities First	-1,200		Unknown			Due to underspends in the final year of the current programme
Financial Inclusion	-2,750		Unknown			Mostly in respect of Council Tax Benefit schemes
Third Sector	-250		Unknown			Not detailed, as no adjustments over £250k
Fire and Rescue Services	-495		Unknown			Due to reduced demand
Unknown			Local Government and Financial Accountability	1,600		Contribution to the Fforestfach fire incident
Unknown			Council Tax Benefit schemes	5,000		To help fund Council Tax Benefit schemes for pensioners and improve take-up of benefits
Care and Social Services Inspectorate	-2,900		Unknown			Arising from running costs and other savings
Estyn	-3,000		Unknown			Result of reduced administration and staff costs
Efficiency and Innovation	-2,005		Unknown			Resulting from changes to the programme
Unknown			Improve and Maintain Trunk Roads (Domestic Routes)	6,098		For local road and trunk road improvements
Improve Public Transport (Rail)	-7,435		Unknown			Due to increased funding from Europe and lower rail franchise costs
Unknown			Improve International Connectivity	3,723		For enhancements to the trunk road network
Unknown			Develop Sustainable Travel	3,415		For the Bus Service Operators Grant
Unknown			Improve Road Safety and Transport's Impact on the Environment	4,199		Increased funding to the Partnership Funding and Road Safety Grant
Community Development		-2,300	Unknown			Due to change in grant rules and re-profiling of expenditure
Unknown			Domestic Abuse		1,300	To fund additional One-Stop Shops across Wales
Unknown			Improve and Maintain Trunk Roads (Domestic Routes)		13,603	For additional schemes approved and re-profiling of other schemes.
Improve Public Transport (Rail)		-17,031	Unknown			Due to re-profiling of rail projects.
Improve International Connectivity		-10,876	Unknown			Due to re-profiling of construction costs and re-allocation of domestic routes.
Unknown			Develop Sustainable Travel		6,128	Increased capital contribution to concessionary fares, walking and cycling schemes and Regional Consortia.
Unknown			Improve and Maintain local Roads Infrastructure		10,011	To enhance the Transport Grant for local improvement schemes.
Improve Road Safety and Transport's Impact on the		-835	Unknown			To fund Road Safety Improvement Grants
Net movement	-24,035	-31,042		24,035	31,042	Net transfer zero

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

7. Business, Enterprise, Technology and Science (BETS)

Table 15 summarises changes at the SPA level in the BETS MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the BETS MEG:

- Shows an increase in TME of £19.7 million (6.1%).
- This consists entirely of a £19.7 million (7.0%) increase in total DEL. There is no change to AME.
- The change in total DEL comprises a reduction of £4.4 million (2.4%) in revenue DEL and an increase of £24.1 million (25.5%) in capital DEL.

The **reduction in revenue DEL of £4.4 million** comprises:

- A net increase of £0.1 million as a result of transfers between MEGs (as detailed in **table 10**).
- An increase of £3.5 million as a result of allocations from revenue reserves (as detailed in **table 7**):
 - £2.3 million is non fiscal and relates to depreciation charges following a review of non cash in the portfolio
 - £1.2 million is fiscal and relates to a transfer from the UK Department of Environment, Food and Rural Affairs (as detailed in **table 6**).
- There have also been a number of transfers within the MEG, the net result of which is a switch of £8 million from revenue to capital. These are summarised, at action level in **table 16**.

The **increase in capital DEL of £24.1 million** comprises:

- A net allocation from capital reserves (as detailed in **table 8**):
 - £20.4 million of this has been allocated to CRC projects, as detailed in **table 9**
 - £8.5 million was allocated as part of the Economic Stimulus Package (as detailed in **section 3.2**)
 - £12.8 million return to reserves in relation to loan repayments on borrowings of Finance Wales plc.
- There are capital movements within the MEG, as a result of the £8 million revenue to capital switch, these are detailed in **table 16**.

Table 15: Changes to BETS allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
Sectors and Business	48,871	48,871	0	0.0	40,871	-8,000	-16.4	-8,000	-16.4
Encouraging Innovation	3,162	3,162	0	0.0	3,162	0	0.0	0	0.0
Regional Funding	2,005	2,005	0	0.0	2,005	0	0.0	0	0.0
Finance Wales	5,102	5,102	0	0.0	5,102	0	0.0	0	0.0
Major Events	3,930	3,930	0	0.0	3,930	0	0.0	0	0.0
Marketing	2,840	2,840	0	0.0	2,840	0	0.0	0	0.0
Infrastructure	21,470	21,470	0	0.0	22,074	604	2.8	604	2.8
Strategy & Corporate Programmes	4,677	4,677	0	0.0	5,024	347	7.4	347	7.4
WEFO	1,522	1,522	0	0.0	2,947	1,425	93.6	1,425	93.6
Rural Affairs	79,320	79,320	0	0.0	80,543	1,223	1.5	1,223	1.5
Tourism	12,747	12,747	0	0.0	12,747	0	0.0	0	0.0
Total Revenue	185,646	185,646	0	0.0	181,245	-4,401	-2.4	-4,401	-2.4
Capital DEL									
Sectors and Business	69,129	69,129	0	0.0	72,129	3,000	4.3	3,000	4.3
Encouraging Innovation	433	433	0	0.0	433	0	0.0	0	0.0
Regional Funding	995	995	0	0.0	995	0	0.0	0	0.0
Finance Wales	1,500	1,500	0	0.0	8,745	7,245	483.0	7,245	483.0
Infrastructure	6,291	6,291	0	0.0	14,791	8,500	135.1	8,500	135.1
Strategy & Corporate Programmes	449	449	0	0.0	449	0	0.0	0	0.0
Rural Affairs	13,001	13,001	0	0.0	15,401	2,400	18.5	2,400	18.5
Tourism	2,790	2,790	0	0.0	5,790	3,000	107.5	3,000	107.5
Total Capital	94,588	94,588	0	0.0	118,733	24,145	25.5	24,145	25.5
AME									
Infrastructure	41,402	41,402	0	0.0	41,402	0	0.0	0	0.0
Total AME	41,402	41,402	0	0.0	41,402	0	0.0	0	0.0
Revenue DEL	185,646	185,646	0	0.0	181,245	-4,401	-2.4	-4,401	-2.4
Capital DEL	94,588	94,588	0	0.0	118,733	24,145	25.5	24,145	25.5
Total DEL	280,234	280,234	0	0.0	299,978	19,744	7.0	19,744	7.0
Annually Managed Expenditure	41,402	41,402	0	0.0	41,402	0	0.0	0	0.0
Total Business Enterprise, Technology & Science	321,636	321,636	0	0.0	341,380	19,744	6.1	19,744	6.1

Source: Research Service calculations from Welsh Government Budgets.

Table 16: Transfers within BETS MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Sectors (Revenue)	-3,000		Sectors (Capital)		3,000	Switch from revenue, to support the Economic Growth Fund
Sectors (Revenue)	-5,000		Finance Wales (Capital)		5,000	Switch from revenue, to support the Wales SME Investment Fund
Net movement	-8,000	0		0	8,000	Net transfer of £8 million from revenue to capital

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

8. Education and Skills (ES)

Table 17 summarises changes at the SPA level in the ES MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the ES MEG:

- Shows an increase in TME of £57.1 million (3.0%).
- This consists of a £63 million (3.5%) increase in total DEL and a reduction of £5.9 million (4.7%) in AME.
- The change in total DEL comprises an increase of £27.9 million (1.7%) in revenue DEL and an increase of £35.1 million (20.6%) in capital DEL.

The **increase in revenue DEL of £27.9 million** comprises:

- A net increase of £1.7 million as a result of transfers between MEGs (as detailed in **table 10**).
- An increase of £26.3 million as a result of allocations from revenue reserves (as detailed in **table 7**):
 - £25.6 million is non fiscal and relates to a claim on the Treasury Reserve as a result of changes to the statistical model used to calculate the non fiscal charge of the Student loans budget (also detailed in **table 6**)
 - £0.7 million is fiscal and relates to an allocation made as part of the Economic Stimulus Package in relation to the Young Recruits Programme (as detailed in **table 6** and **section 3.2**).
- There have also been a number of transfers within the MEG, the net result of which is zero. These are summarised, at action level in **table 18**.

The **increase in capital DEL of £35.1 million** comprises:

- A net allocation from capital reserves (as detailed in **table 8**):
 - £22.3 million of this has been allocated to CRC projects, as detailed in **table 9**
 - £9.3 million was allocated as part of the Economic Stimulus Package (as detailed in **section 3.2**)
 - £3 million in relation to the Bridgend Gateways to the Valleys project
 - £0.5 million in relation to schools in the Dinefwr region.

There is a **£5.9 million reduction in AME**, comprising an increase of £2 million in revenue AME and a reduction of £7.9 million in capital AME. Both these changes are in relation to Student Funding and Finance and are due to revised forecasts from the Student Loans Company.

Table 17: Changes to ES allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
Children, Young People and School Effectiveness	122,697	122,697	0	0.0	133,951	11,254	9.2	11,254	9.2
Qualification, Curriculum and Learning Improvement	158,194	158,194	0	0.0	140,746	-17,448	-11.0	-17,448	-11.0
Skills, Higher Education and Lifelong Learning	1,005,644	1,010,644	5,000	0.5	1,013,893	8,249	0.8	3,249	0.3
Business Improvement and Resource Investment	338,666	338,666	0	0.0	369,550	30,884	9.1	30,884	9.1
Total Revenue	1,625,201	1,630,201	5,000	0.3	1,658,140	32,939	2.0	27,939	1.7
Capital DEL									
Business Improvement and Resource Investment	169,973	169,973	0	0.0	205,033	35,060	20.6	35,060	20.6
Total Capital	169,973	169,973	0	0.0	205,033	35,060	20.6	35,060	20.6
AME									
Business Improvement and Resource Investment	217,656	125,302	-92,354	-42.4	119,398	-98,258	-45.1	-5,904	-4.7
Total AME	217,656	125,302	-92,354	-42.4	119,398	-98,258	-45.1	-5,904	-4.7
Revenue DEL	1,625,201	1,630,201	5,000	0.3	1,658,140	32,939	2.0	27,939	1.7
Capital DEL	169,973	169,973	0	0.0	205,033	35,060	20.6	35,060	20.6
Total DEL	1,795,174	1,800,174	5,000	0.3	1,863,173	67,999	3.8	62,999	3.5
Annually Managed Expenditure	217,656	125,302	-92,354	-42.4	119,398	-98,258	-45.1	-5,904	-4.7
Total Education & Skills	2,012,830	1,925,476	-87,354	-4.3	1,982,571	-30,259	-1.5	57,095	3.0

Source: Research Service calculations from Welsh Government Budgets.

Table 18: Transfers within ES MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Children & Young Peoples	-1,433		Support for Learners	1,433		
Qualifications and Learning	-1,300		School Leadership & Effectiveness	1,300		
Learning Improvement & Professional Development	-2,500		School Leadership & Effectiveness	2,500		
Curriculum & Assessment	-1,950		Support for Learners	1,950		To fund demand led budgets, enabled as a result of efficiency savings
Qualifications and Learning	-470		Support for Learners	470		
Welsh Language Development	-450		Support for Learners	450		
Business & Skills	-1,295		Student Finance and Funding	1,295		
Lifelong Learning & Providers	-520		Student Finance and Funding	520		
Knowledge Management	-500		Student Finance and Funding	500		
Strategic Projects	-825		Student Finance and Funding	825		
Unknown			Student Finance and Funding	60		
Children & Young Peoples Strategy	-2,259		Basic Skills	2,259		Re-prioritisation - for Bookstart and Family Learning programmes
Welsh Language Development	-400		Children & Young Peoples Strategy	400		Re-prioritisation - to fund Welsh medium element of Annual Network Development plans
School Leadership & Effectiveness	-382		Learning Improvement & Professional Development	382		Re-prioritisation - to fund academic support for the development of Professional Learning Communities
Basic Skills	-7,000		School Leadership & Effectiveness	7,000		Re-prioritisation - for literacy and numeracy element of School Effectiveness Grant
Qualifications & Learning	-262		Curriculum & Assessment	262		Re-prioritisation - for external subject experts
Qualifications & Learning	-4,700		Lifelong Learning & Providers	4,700		Re-prioritisation - for Work Based learning Welsh Baccalaureate delivery
Basic Skills	-1,100		Business & Skills	1,100		Re-prioritisation - for post-16 literacy and numeracy
Student Finance and Funding	-539		Business & Skills	539		Re-prioritisation - for Want to Work, Job Centre Plus and the Technical Assistance programme
Lifelong Learning & Providers	-6,180		Business & Skills	6,180		Re-prioritisation - to support ReAct and the Young Recruits programme
Higher Education	-4,100		Student Finance and Funding	4,100		Re-prioritisation - to fund extension of Assembly Learning Grant
School Leadership & Effectiveness	-30		Support for Learners	10		No details
Unknown			Unknown			No details
Curriculum & Assessment	-18		Unknown			No details
Qualifications & Learning	-89		Unknown			No details
Welsh Language Development	-112		Unknown			No details
Unknown			Higher Education	112		No details
Unknown			Lifelong Learning & Providers	229		No details
Children & Young Peoples	-10		Unknown			No details
Knowledge Management	-200		Unknown			No details
Unknown			Strategic Projects	48		No details
Net movement	-38,624	0		38,624	0	Net transfer zero

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

9. Environment and Sustainable Development (ESD)

Table 19 summarises changes at the SPA level in the ESD MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the ESD MEG:

- Shows an increase in TME of £6.4 million (1.9%).
- This consists entirely of a £6.4 million (1.9%) increase in total DEL. There has been no change to AME.
- The change in total DEL comprises a reduction of £6.7 million (2.5%) in revenue DEL and an increase of £13.2 million (21.7%) in capital DEL.

The **reduction in revenue DEL of £6.7 million** comprises:

- A net decrease of £0.2 million as a result of transfers between MEGs (as detailed in **table 10**).
- An decrease of £2.6 million as a result of allocations to revenue reserves (as detailed in **table 7**):
 - £1.7 million is returned to the non fiscal revenue reserve and relates to a transfer to the UK Department of Environment, Food and Rural Affairs for depreciation relating to the Environment Agency, (also detailed in **table 6**)
 - £0.9 million is returned to the fiscal reserve in relation to increased wind farm receipts. There is also a minor return to the fiscal reserve of £29,000 in relation to increase farm valuation.
- There have also been a number of transfers within the MEG, the net result of which is a transfer of £4 million for revenue to capital. These are summarised, at action level in **table 20**.

The **increase in capital DEL of £13.2 million** comprises:

- An allocation from capital reserves of £9.2 million (as detailed in **table 8**):
 - £2 million of this has been allocated to CRC projects, as detailed in **table 9**
 - £5 million is allocated to the Arbed energy efficiency scheme (of which £3 million forms part of the Economic Stimulus Package, as detailed in **section 3.2**)
 - £2.2 million to support flood and coastal erosion projects.
- There are capital movements within the MEG, as a result of the £4 million revenue to capital switch; these are detailed in **table 20**.

Table 19: Changes to ESD allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
Climate Change and Sustainability	117,485	117,485	0	0.0	117,395	-90	-0.1	-90	-0.1
Environment	80,768	80,768	0	0.0	79,988	-780	-1.0	-780	-1.0
Planning	7,772	7,772	0	0.0	7,772	0	0.0	0	0.0
Protecting & Improving Animal Health & Welfare	22,640	41,038	18,398	81.3	36,038	13,398	59.2	-5,000	-12.2
Evidence Base	404	404	0	0.0	433	29	7.2	29	7.2
Common Agricultural Policy & the Countryside	21,600	21,600	0	0.0	20,700	-900	-4.2	-900	-4.2
Total Revenue	250,669	269,067	18,398	7.3	262,326	11,657	4.7	-6,741	-2.5
Capital DEL									
Climate Change and Sustainability	56,209	56,209	0	0.0	67,378	11,169	19.9	11,169	19.9
Environment	4,600	4,600	0	0.0	6,600	2,000	43.5	2,000	43.5
Evidence Base	38	38	0	0.0	38	0	0.0	0	0.0
Common Agricultural Policy & the Countryside	-205	-205	0	0.0	-205	0	0.0	0	0.0
Total Capital	60,642	60,642	0	0.0	73,811	13,169	21.7	13,169	21.7
AME									
Total AME	0	0	0	0.0	0	0	0.0	0	0.0
Revenue DEL	250,669	269,067	18,398	7.3	262,326	11,657	4.7	-6,741	-2.5
Capital DEL	60,642	60,642	0	0.0	73,811	13,169	21.7	13,169	21.7
Total DEL	311,311	329,709	18,398	5.9	336,137	24,826	8.0	6,428	1.9
Annually Managed Expenditure	0	0	0	0.0	0	0	0.0	0	0.0
Total Environment & Sustainable Development	311,311	329,709	18,398	5.9	336,137	24,826	8.0	6,428	1.9

Source: Research Service calculations from Welsh Government Budgets.

Table 20: Transfers within ESD MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Protecting and Improving Animal Health and Welfare	-1,000		Deliver Nature Conservation & Marine Policies	1,000		To deliver nature conservation and marine policies for the Wild Birds Directive
Deliver Nature conservation & Marine Policy	-125		Promote protected landscapes & countryside access	125		No details
Protecting and Improving Animal Health and Welfare	-2,000		Develop & implement flood & coastal risk, water & sewage policy & legislation		2,000	Switch from revenue
Protecting and Improving Animal Health and Welfare	-2,000		Sponsor & manage delivery bodies		2,000	Switch from revenue
Net movement	-5,125	0		1,125	4,000	Net transfer zero

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

10. Housing, Regeneration and Heritage (HRH)

Table 21 summarises changes at the SPA level in the HRH MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the HRH MEG:

- Shows an increase in TME of £44 million (8.3%).
- This consists entirely of a £44 million (7.3%) increase in total DEL. There has been no change to AME.
- The change in total DEL comprises a reduction of £0.3 million (0.1%) in revenue DEL and an increase of £44.3 million (14.0%) in capital DEL.

The **reduction in revenue DEL of £0.3 million** comprises:

- A net decrease of £0.1 million as a result of transfers between MEGs (as detailed in **table 10**).
- An increase of £0.8 million as a result of a non fiscal allocation from revenue reserves (as detailed in **table 7**). This is in relation to impairments in the value of land held for affordable housing developments.
- There have also been a number of transfers within the MEG, the net result of which is a transfer of £1.2 million for revenue to capital. These are summarised, at action level in **table 22**.

The **increase in capital DEL of £44.3 million** comprises:

- An allocation from capital reserves of £43.1 million (as detailed in **table 8**):
 - £6 million allocated to CRC projects, as detailed in **table 9**
 - £18.1 million is allocated to increase the supply and choice of housing (of which £9.3 million forms part of the Economic Stimulus Package, as detailed in **section 3.2**; the remaining allocation to go through Social Housing Grant)
 - £17.5 million in relation to infrastructure for the Ebbw Vale major works project
 - £1.5 million for regeneration projects in the Heads of the Valleys.
- There are capital movements within the MEG, as a result of the £1.2 million revenue to capital switch; these are detailed in **table 22**.

Table 21: Changes to HRH allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
Housing	154,765	154,765	0	0.0	154,610	-155	-0.1	-155	-0.1
Regeneration	14,489	14,489	0	0.0	14,588	99	0.7	99	0.7
Support and sustain a strong arts sector via the Arts Council and others	35,397	35,547	150	0.4	35,451	54	0.2	-96	-0.3
Museums, Archives and Libraries	38,191	38,191	0	0.0	38,231	40	0.1	40	0.1
Delivery of effective sports & physical activity programmes	25,437	25,437	0	0.0	25,122	-315	-1.2	-315	-1.2
Media & publishing	4,031	4,031	0	0.0	4,062	31	0.8	31	0.8
Conserve, protect, sustain and promote access to the historic environment	11,712	11,712	0	0.0	11,782	70	0.6	70	0.6
Total Revenue	284,022	284,172	150	0.1	283,846	-176	-0.1	-326	-0.1
Capital DEL									
Housing	249,392	249,392	0	0.0	273,452	24,060	9.6	24,060	9.6
Regeneration	55,343	55,343	0	0.0	75,384	20,041	36.2	20,041	36.2
Support and sustain a strong arts sector via the Arts Council and others	460	460	0	0.0	500	40	8.7	40	8.7
Museums, Archives and Libraries	5,673	5,673	0	0.0	4,663	-1,010	-17.8	-1,010	-17.8
Delivery of effective sports & physical activity programmes	345	345	0	0.0	525	180	52.2	180	52.2
Media & publishing	25	25	0	0.0	25	0	0.0	0	0.0
Conserve, protect, sustain and promote access to the historic environment	5,500	5,500	0	0.0	6,500	1,000	18.2	1,000	18.2
Total Capital	316,738	316,738	0	0.0	361,049	44,311	14.0	44,311	14.0
AME									
Museums and Libraries Pensions	2,265	2,265	0	0.0	2,265	0	0.0	0	0.0
Housing	-72,000	-72,000	0	0.0	-72,000	0	0.0	0	0.0
Total AME	-69,735	-69,735	0	0.0	-69,735	0	0.0	0	0.0
Revenue DEL	284,022	284,172	150	0.1	283,846	-176	-0.1	-326	-0.1
Capital DEL	316,738	316,738	0	0.0	361,049	44,311	14.0	44,311	14.0
Total DEL	600,760	600,910	150	0.0	644,895	44,135	7.3	43,985	7.3
Annually Managed Expenditure	-69,735	-69,735	0	0.0	-69,735	0	0.0	0	0.0
Total Housing, Regeneration & Heritage	531,025	531,175	150	0.0	575,160	44,135	8.3	43,985	8.3

Source: Research Service calculations from Welsh Government Budgets.

Table 22: Transfers within HRH MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Achieve quality housing	-115		Unknown			No details
Develop housing policy, legislation & regulation	-170		Unknown			No details
Enable people to live independent lives	-625		Increase the supply & choice of housing		625	Switch from revenue
Support & sustain a strong arts sector via the arts Council & Foster usage & lifelong learning through Library Services	-96		Unknown			
Strategic Leadership for museum, archive & library services	-300		Strategic Leadership for museum, archive & library	300		In respect of CyMAL
Unknown	-50		Unknown			No details
Unknown			Foster usage & lifelong learning through museum	90		No details
Delivery of effective sports & physical activity programmes	-315		Unknown			No details, as no adjustments over £250k
Unknown			Media & publishing	31		No details
Unknown			Conserve, protect, sustain & promote access to the historic environment	70		No details
Foster usage & lifelong learning through museum services		-1,980	Increase the supply & choice of housing		1,980	To deliver additional housing units
Unknown			Increase the supply & choice of housing		335	No details
Unknown			Support & sustain a strong arts sector via the Arts Council & others		40	No details
Unknown			Delivery of effective sports & physical activity programmes		180	No details
Net movement	-1,671	-1,980		491	3,160	Net transfer £1.18 million from revenue to capital

Source: Welsh Government, Supplementary Budget 2011-12, February 2012

11. Central Services and Administrations (CSA)

Table 23 summarises changes at the SPA level in the CSA MEG, as compared with the previous supplementary budget, and the final budget for 2011-12.

As compared with the Supplementary Budget 2011-12 in June 2011, the CSA MEG:

- Shows an increase in TME of £4.8 million (1.3%).
- This consists of a £6 million (1.6%) increase in total DEL, and a £1.2 million (over 100%) reduction in AME.
- The change in total DEL comprises a reduction of £0.7 million (0.2%) in revenue DEL and an increase of £6.7 million (21.8%) in capital DEL.

The **reduction in revenue DEL of £0.7 million** comprises:

- A net decrease of £0.1 million as a result of transfers between MEGs (as detailed in **table 10**).
- An increase of £6.1 million as a result of allocations from revenue reserves (as detailed in **table 7**):
 - £6.2 million from the non fiscal reserve in relation to depreciation and impairments as a result of increased capital investment in the administrative asset base
 - £2 million from the fiscal reserve with respect to Invest-to-Save projects
 - £2.1 million transfer out to the UK Department for Business, Innovation and Skills (as detailed in **table 6**).
- There have also been a number of transfers within the MEG, the net result of which is a transfer of £6.7 million for revenue to capital. These are summarised, at action level in **table 24**.

The **increase in capital DEL of £6.7 million** is entirely due to the revenue to capital switch from movements in the CSA MEG, as detailed in **table 24**.

There is a **£1.2 million reduction in AME**, which reflects revised forecasts in relation to early retirement provision. This provision is a credit to offset early retirement payments to be made in 2011-12 for staff who took retirement in 2010-11.

Table 23: Changes to CSA allocations

Spending programme area	2011-12 Final Budget (restated)	2011-12 Supplementary Budget (Jun 2011)	Change from Final Budget (restated) to Supplementary Budget 2011-12 (Jun 2011)		2011-12 Supplementary Budget (Feb 2012)	Change from Final Budget to Supplementary Budget 2011-12 (Feb 2012)		Change from Supplementary Budget 2011-12 (June 2011) to Supplementary Budget 2011-12 (Feb 2012)	
	£000	£000	£000	per cent	£000	£000	per cent	£000	per cent
Revenue DEL									
Delegated Running Costs	214,126	214,326	200	0.1	192,051	-22,075	-10.3	-22,275	-10.4
Central Running Costs	91,176	91,176	0	0.0	111,844	20,668	22.7	20,668	22.7
Information & Support Services	11,524	20,324	8,800	76.4	19,639	8,115	70.4	-685	-3.4
Central Programmes	14,804	14,804	0	0.0	16,394	1,590	10.7	1,590	10.7
Total Revenue	331,630	340,630	9,000	2.7	339,928	8,298	2.5	-702	-0.2
Capital DEL									
Central Running Costs	11,982	11,982	0	0.0	18,182	6,200	51.7	6,200	51.7
Information and Support Services	0	0	0	0.0	500	500	100.0	500	100.0
Central Programmes	18,738	18,738	0	0.0	18,738	0	0.0	0	0.0
Total Capital	30,720	30,720	0	0.0	37,420	6,700	21.8	6,700	21.8
AME									
Central running costs	924	-1,100	-2,024	-219.0	-2,347	-3,271	-354.0	-1,247	-113.4
Total AME	924	-1,100	-2,024	-219.0	-2,347	-3,271	-354.0	-1,247	-113.4
Revenue DEL	331,630	340,630	9,000	2.7	339,928	8,298	2.5	-702	-0.2
Capital DEL	30,720	30,720	0	0.0	37,420	6,700	21.8	6,700	21.8
Total DEL	362,350	371,350	9,000	2.5	377,348	14,998	4.1	5,998	1.6
Annually Managed Expenditure	924	-1,100	-2,024	-219.0	-2,347	-3,271	-354.0	-1,247	-113.4
Total Central Services & Administration	363,274	370,250	6,976	1.9	375,001	11,727	3.2	4,751	1.3

Source: Research Service calculations from Welsh Government Budgets.

Table 24: Transfers within CSA MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Staff Costs	-25,000		General Administration	25,000		For workforce planning
General Administration	-2,175		Staff Costs	2,175		To increase size of the central resource pool, support the Science Strategy & contribute towards workforce planning
Central Research	-450		Staff Costs	450		To contribute towards workforce planning
Enabling Government	-2,000		Staff Costs	100		No details
IT Costs	-500		General Administration	2,000		For workforce planning
General Administration	-1,400		General Administration	500		For workforce planning
Location Strategy	-2,578		Geographic Information	1,400		To help fund Public Sector Mapping Agreement
General Administration	-6,700		General Administration	2,578		Running costs of new offices
General Administration	-246		Capital		6,700	Revenue to capital switch
Location Strategy	-1,086		Unknown			No details
Unknown	-1,086		Enabling Government	1,086		To reflect the merging of programmes
Geographical Information	-100		IT Costs	246		No details
Capital		-2,750	Unknown			No details
Enabling Government		-1,025	IT Costs Capital		2,750	For IT projects, including upgrading software
Location Strategy		-3,000	Capital		1,025	For accommodation projects
Enabling Government		-500	Enabling Government		3,000	To reflect the merging of programmes
			Invest-to-Save		500	To provide funding for Gwent Frailty project
Net movement	-42,235	-7,275		35,535	13,975	Net transfer £6.7 million from revenue to capital

Source: Welsh Government, Supplementary Budget 2011-12, February 2012