

## National Assembly for Wales

### Supplementary Budget 2010-11 (Laid June 2010)

#### July 2010

The Welsh Government's Supplementary Budget 2010-11, was laid before the National Assembly on 21 June 2010. The Supplementary Budget 2010-11 proposes changes which are mainly administrative in nature and reflect transfers between main expenditure groups, portfolio changes, allocations from reserves and adjustments of a technical nature.

This paper is intended to inform scrutiny of the Supplementary Budget. It provides an overview of these changes and details of the changes within each portfolio, and compares them with the Final Budget 2010-11 as agreed by the National Assembly in December 2009.

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## **National Assembly for Wales**

Supplementary Budget 2010-11  
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Members'  
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## Summary

Supplementary Budget 2010-11 proposes changes that are mainly administrative and reflect transfers between main expenditure groups (MEGs), portfolio changes, allocations from reserves and adjustments of a technical nature.

**The figures shown within this paper are in absolute terms, no adjustments have been made for inflation.**

- TME allocated to Welsh Government departments is reduced by 1.5 per cent (£230.4 million).
- DEL allocated to Welsh Government departments is increased by 1.1 per cent (£173.5 million).
- Revenue DEL allocated to Welsh Government departments is reduced by 0.5 per cent (£65.3 million).
- Capital DEL allocated to Welsh Government departments is increased by 17 per cent (£238.8 million).
- AME is reduced by 57.3 per cent (£403.4 million).

The greatest changes are as follows:

- The Economy & Transport MEG has the largest reduction in TME (both in nominal and percentage terms), with a 37.1 per cent (£605 million) reduction. This consists of a 14.9 per cent (£173 million) reduction in DEL and a 91.3 per cent (£432 million) reduction in AME.
- The Public Services & Performance MEG shows the largest percentage increase in TME, with a 30.1 per cent (£16.6 million) increase. This represents an increase in DEL (mostly capital DEL).
- The Health & Social Services MEG shows the largest nominal increase in TME, with a 3.5 per cent (£216.3 million) increase. This consists of a 3.1 per cent (£187.2 million) increase in DEL, and a 32.4 per cent (£29.1 million) increase in AME.
- The Assembly Commission shows a reduction of 4.6 per cent (£2.2 million) in TME. This is due to a reduction of 5.6 per cent (£2.7 million) in DEL and an addition of £0.5 million in AME.

Further detail of the changes within each MEG at spending programme area (SPA) level can be found in sections 4 to 12 of this paper.



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# Supplementary Budget 2010-11 (June 2010)

## 1. Overview of Supplementary Budget 2010-11

The Minister for Business and Budget (Jane Hutt AM) laid the Supplementary Budget Motion 2010-11<sup>1</sup> on 21 June 2010. This was accompanied by an Explanatory Note and tables showing the main expenditure group (MEG) allocations.<sup>2</sup> This supplementary budget amends the Final Budget 2010-11<sup>3</sup> approved by the National Assembly in December 2009.

**The changes proposed within this supplementary budget are mainly administrative and reflect transfers between main expenditure groups (MEGs), portfolio changes, allocations from reserves and adjustments of a technical nature due to HM Treasury's Alignment (Clear Line of Sight) project.<sup>4</sup>**

**The figures shown within this paper are in absolute terms, no adjustments have been made for inflation.**

Also, figures in text may not add to totals, this is due to rounding.

[Table 1](#) provides an overview of changes to total managed expenditure (TME)<sup>5</sup> allocations.

[Table 2](#) provides an overview of changes to departmental expenditure limits (DEL)<sup>6</sup> allocations (total, revenue and capital DEL), and [figure 1](#) shows the per cent change in total DEL allocations to each MEG.

[Table 3](#) shows the changes to annually managed expenditure (AME)<sup>7</sup> allocations.

Headline figures can be seen from the following tables. In comparison to the Final Budget 2010-11:

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<sup>1</sup> Welsh Government, [Supplementary Budget Motion 2010-11](#), 21 June 2010 [accessed 28 June 2010]

<sup>2</sup> Welsh Government, [Supplementary Budget 2010-11 Explanatory Note](#) and [Supplementary Budget 2010 Main Expenditure Group Allocations](#), 21 June 2010 [accessed 28 June 2010]

<sup>3</sup> Welsh Government, [Final Budget 2010-11](#), December 2009 [accessed 28 June 2010]

<sup>4</sup> Further information on the Alignment (Clear Line of Sight) project and how it affects Wales can be found in the Members' Research Service Quick Guide: [Simplifying Government Finance : The Alignment Project and how it will impact on Wales](#) [accessed 29 June 2010].

<sup>5</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).

<sup>6</sup> **Departmental expenditure limits (DEL)** – normally set over three years as part of the UK Government's spending review. Most of the DEL is unhypothecated and allows the Welsh Government full discretion over its spending priorities (known as 'assigned' budget items). Changes in provision for these items are determined through the Barnett formula. Some elements of DEL however, are ring-fenced and can only be used for specified purposes.

<sup>7</sup> **Annually managed expenditure (AME)** – covers items whose provision cannot be reasonably subject to firm multi-year limits, and thus is reviewed and set annually. AME is demand led and can only be allocated to the programme for which it is assigned. Further AME can be drawn from Treasury if required, while any unspent portion will be reclaimed by Treasury.

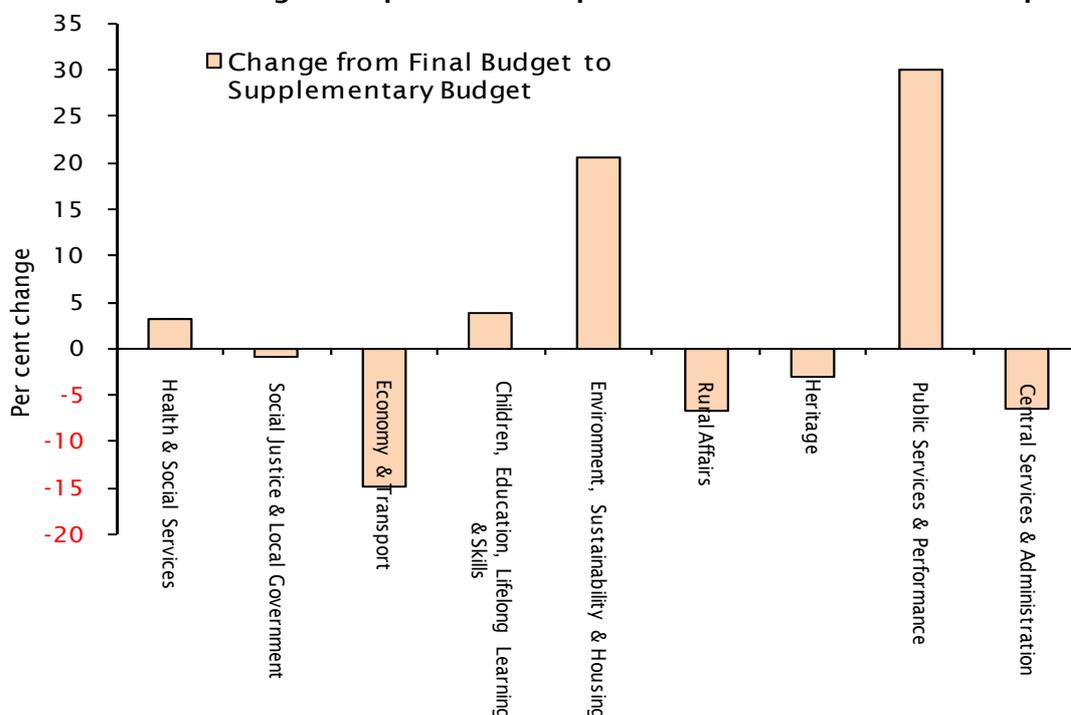
- Overall TME is reduced by 3.7 per cent (£610 million).
- TME allocated to Welsh Government departments is reduced by 1.5 per cent (£230.4 million).
- Overall DEL is reduced by 1.3 per cent (£206.6 million).
- DEL allocated to Welsh Government departments is increased by 1.1 per cent (£173.5 million).
- Revenue DEL allocated to Welsh Government departments is reduced by 0.5 per cent (£65.3 million). This is due to allocations from reserves of £25.4 million and reductions of £90.7 million relating to the Alignment (Clear Line of Sight) project.
- Capital DEL allocated to Welsh Government departments is increased by 17 per cent (£238.8 million). This is entirely due to allocations from reserves.
- AME is reduced by 57.3 per cent (£403.4 million). The majority of this is due to adjustments made in respect of the Alignment (Clear Line of sight) project in relation to the Economy & Transport MEG.

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

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)
	£000s	£000s	per cent	£000s
Health & Social Services	6,184,029	216,316	3.5	6,400,345
Social Justice & Local Government	4,515,911	-39,675	-0.9	4,476,236
Economy & Transport	1,627,737	-604,630	-37.1	1,023,107
Children, Education, Lifelong Learning & Skills	2,051,382	101,253	4.9	2,152,635
Environment, Sustainability & Housing	639,652	148,621	23.2	788,273
Rural Affairs	153,136	-10,371	-6.8	142,765
Heritage	192,077	-32,635	-17.0	159,442
Public Services & Performance	55,129	16,600	30.1	71,729
Central Services & Administration	397,198	-25,894	-6.5	371,304
<b>Total Departmental TME allocations</b>	<b>15,816,251</b>	<b>-230,415</b>	<b>-1.5</b>	<b>15,585,836</b>
Revenue Reserves	225,883	-64,064	-28.4	161,819
Capital Reserves held for the Strategic Capital Investment Fund	341,078	-313,259	-91.8	27,819
Assembly Commission	48,973	-2,246	-4.6	46,727
Auditor General for Wales	5,047	0	0.0	5,047
Public Services Ombudsman for Wales	4,208	-42	-1.0	4,166
Direct Charges	675	0	0.0	675
<b>Total within Wales TME</b>	<b>16,442,115</b>	<b>-610,026</b>	<b>-3.7</b>	<b>15,832,089</b>

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

**Figure 1: Per cent change in departmental expenditure limits to each main expenditure group**



Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

**Table 2: Changes to departmental expenditure limits (DEL) – total, revenue and capital DEL**

Main Expenditure Group (MEG)	TOTAL DEL				REVENUE DEL				CAPITAL DEL			
	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary		Supplementary Budget 10-11 (June 2010)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary		Supplementary Budget 10-11 (June 2010)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary		Supplementary Budget 10-11 (June 2010)
	£000s	£000s	per cent	£000s	£000s	£000s	per cent	£000s	£000s	£000s	per cent	£000s
Health & Social Services	6,094,180	187,217	3.1	6,281,397	5,797,568	79,517	1.4	5,877,085	296,612	107,700	36.3	404,312
Social Justice & Local Government	4,502,328	-37,769	-0.8	4,464,559	4,424,070	-22,606	-0.5	4,401,464	78,258	-15,163	-19.4	63,095
Economy & Transport	1,153,970	-172,265	-14.9	981,705	722,958	-120,993	-16.7	601,965	431,012	-51,272	-11.9	379,740
Children, Education, Lifelong Learning & Skills	1,875,784	73,453	3.9	1,949,237	1,692,892	12,553	0.7	1,705,445	182,892	60,900	33.3	243,792
Environment, Sustainability & Housing	717,652	147,621	20.6	865,273	369,094	14,786	4.0	383,880	348,558	132,835	38.1	481,393
Rural Affairs	153,136	-10,371	-6.8	142,765	136,407	-10,371	-7.6	126,036	16,729	0	0.0	16,729
Heritage	162,493	-5,109	-3.1	157,384	147,371	-8,409	-5.7	138,962	15,122	3,300	21.8	18,422
Public Services & Performance	55,129	16,600	30.1	71,729	54,704	-4,400	-8.0	50,304	425	21,000	4941.2	21,425
Central Services & Administration	397,198	-25,894	-6.5	371,304	361,165	-5,394	-1.5	355,771	36,033	-20,500	-56.9	15,533
<b>Total Departmental DEL allocations</b>	<b>15,111,870</b>	<b>173,483</b>	<b>1.1</b>	<b>15,285,353</b>	<b>13,706,229</b>	<b>-65,317</b>	<b>-0.5</b>	<b>13,640,912</b>	<b>1,405,641</b>	<b>238,800</b>	<b>17.0</b>	<b>1,644,441</b>
Revenue Reserves	225,883	-64,064	-28.4	161,819	225,883	-64,064	-28.4	161,819	0	0	0.0	0
Capital Reserves held for the Strategic Capital Investment Fund	341,078	-313,259	-91.8	27,819	0	0	0.0	0	341,078	-313,259	-91.8	27,819
Assembly Commission	48,973	-2,746	-5.6	46,227	48,198	-2,746	-5.7	45,452	775	0	0.0	775
Auditor General for Wales	5,047	0	0.0	5,047	5,047	0	0.0	5,047	0	0	0.0	0
Public Services Ombudsman for Wales	4,208	-42	-1.0	4,166	3,745	-42	-1.1	3,703	463	0	0.0	463
Direct Charges	675	0	0.0	675	675	0	0.0	675	0	0	0.0	0
<b>Total within Wales DEL</b>	<b>15,737,734</b>	<b>-206,628</b>	<b>-1.3</b>	<b>15,531,106</b>	<b>13,989,777</b>	<b>-132,169</b>	<b>-0.9</b>	<b>13,857,608</b>	<b>1,747,957</b>	<b>-74,459</b>	<b>-4.3</b>	<b>1,673,498</b>

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

**Table 3: Changes to annually managed expenditure**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)
	£000s	£000s	per cent	£000s
Health & Social Services	89,849	29,099	32.4	118,948
Social Justice & Local Government	13,583	-1,906	-14.0	11,677
Economy & Transport	473,767	-432,365	-91.3	41,402
Children, Education, Lifelong Learning & Skills	175,598	27,800	15.8	203,398
Environment, Sustainability & Housing	-78,000	1,000	-1.3	-77,000
Heritage	29,584	-27,526	-93.0	2,058
<b>Total departmental AME budget</b>	<b>704,381</b>	<b>-403,898</b>	<b>-57.3</b>	<b>300,483</b>
Assembly Commission	-	500	-	500
<b>Total AME budget</b>	<b>704,381</b>	<b>-403,398</b>	<b>-57.3</b>	<b>300,983</b>

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

The greatest changes can be seen to be as follows:

- The Economy & Transport MEG has the largest reduction in TME (both in nominal and percentage terms), with a 37.1 per cent (£605 million) reduction. This consists of a 14.9 per cent (£172 million) reduction in DEL and a 91.3 per cent (£432 million) reduction in AME. These changes reflect the **transfer of responsibility for Regeneration** to the Environment, Sustainability & Housing portfolio and **technical adjustments under the Alignment (Clear Line of Sight) project**.
- The Public Services & Performance MEG shows the largest percentage increase in TME, with a 30.1 per cent (£16.6 million) increase. This represents an increase in DEL (mostly capital DEL) which is due to the **transfer of Match Funding** to the Central Services & Administration MEG.
- The Health & Social Services MEG shows the largest nominal increase in TME, with a 3.5 per cent (£216.3 million) increase. This consists of a 3.1 per cent (£187.2 million) increase in DEL, and a 32.4 per cent (£29.1 million) increase in AME. These changes reflect a number of **transfers between MEGs and technical adjustments under the Alignment (Clear Line of Sight) project**.
- The Assembly Commission shows a reduction of 4.6 per cent (£2.2 million). This is due to a reduction of 5.6 per cent (£2.7 million) in DEL and an

addition of £0.5 million in AME. These changes reflect **technical adjustments under the Alignment (Clear Line of Sight) project.**

Further detail of the changes within each MEG at spending programme area (SPA) level can be found in sections 4 to 12 of this paper.

## 2. Alignment (Clear Line of Sight) Project

HM Treasury's [Alignment \(Clear Line of Sight\) project](#) impacts upon the budgetary framework and the associated changes were applied in Wales from 1 April 2010. **The main change is the removal of the near cash<sup>8</sup>/non cash<sup>9</sup> boundary from resource budgets.** Further information on the Alignment (Clear Line of Sight) project can be found in the Members' Research Service Quick Guide: [Simplifying Government Finance : The Alignment Project and how it will impact on Wales](#).

This Supplementary Budget makes the necessary adjustments in order to bring the budget into line with these requirements. [Table 4](#) details the changes that have been made to baselines in this supplementary budget in order to meet the requirements of the Alignment project.

**Table 4: Adjustments made in respect of alignment (Clear Line of Sight)**

Main Expenditure Group (MEG)	Adjustments		
	DEL	AME	Total
	£000s	£000s	£000s
Health & Social Services	41,553	39,213	80,766
Social Justice & Local Government	0	0	0
Economy & Transport	-112,275	-432,365	-544,640
Children, Education, Lifelong Learning & Skills	-202	0	-202
Environment, Sustainability & Housing	-108	0	-108
Rural Affairs	-10,496	0	-10,496
Heritage	-8,409	0	-8,409
Public Services & Performance	25	0	25
Central Services & Administration	-805	0	-805
<b>Total adjustments</b>	<b>-90,717</b>	<b>-393,152</b>	<b>-483,869</b>

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

The largest of these adjustments relates to the Economy & Transport portfolio, with reductions of £112 million to DEL and £432 million to AME.

<sup>8</sup> **Near cash** -accruals measure of transactions that normally turn into cash flows soon. Resource expenditure that has a related cash implication, even though the timing of the cash payment may be slightly different. For example, expenditure on gas/electricity supply is incurred as the fuel is used, though the cash payment might be made in arrears on a quarterly basis. Other examples include pay, current procurement, grants and subsidies to the private sector and subsidies to public corporations. Near cash also covers amounts paid out that are covered in budgeting and accounting terms by the release of provisions. There is a separate control on near cash costs within the resource budget element of the DEL.

<sup>9</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, (e.g. cost of capital charges), or will only give rise to cash payments years into the future (e.g. provisions). Costs where there is no cash transaction but which are included in a body's accounts (or taken into account in charging for a service) to establish the true cost of all the resources used.

The Assembly Commission's budget has also been impacted upon by such adjustments, with a reduction of £2.7 million in DEL and an addition of £0.5 million AME. The Public Services Ombudsman for Wales has also seen a reduction of £42,000 in their DEL budget.

## *2.1. Impact of Alignment on end year flexibility stocks*

As a result of the removal of the near cash/non cash distinction, there will also be an adjustment with respect to end year flexibility<sup>10</sup> (EYF) stocks. UK departments' revenue DEL EYF stocks will be the sum of their near cash EYF stock, and a percentage of their existing non cash EYF stock. The percentage of the existing non cash EYF stock which can be retained will be determined on a department by department basis,<sup>11</sup> and will be ring-fenced for drawdown on depreciation and impairments only.

From the Public Expenditure Outturn White Paper, [PEOWP 2008-09](#) (the latest figures available), the EYF stocks available to Wales were as follows: Resource DEL £739.9 million (*of which near cash £269.4 million*) and capital DEL £230.5 million. As a result of the changes under alignment, the non cash EYF stock available to Wales (i.e. £470.5 million pre-alignment) could decrease substantially.

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<sup>10</sup> **End year flexibility (EYF)** – mechanism to carry over unspent provision in the DEL budget from one year into future years. This ensures that any under spend remains available rather than being returned to Treasury. Carry over and subsequent draw down of EYF is subject to Treasury approval. Further information on EYF can be found in the Members' Research Service Quick Guide: [End year flexibility](#) [accessed 28 June 2010]

<sup>11</sup> The percentage to be retained will be equal to the percentage of non cash DEL plans that were retained in the department's resource DEL plans for 2010-11, following the Alignment Project budget adjustments.

### 3. Movement on Reserves

[Table 5](#) provides details of where allocations have been made from the revenue and capital reserves to MEGs.

This shows that total allocations from reserves to Welsh Government departments equate to **£25.4 million revenue and £238.8 million capital**. However, [table 2](#) shows the total movement on reserves to be **£64.1 million revenue and £313.3 million capital**. The remaining £38.7 million revenue and £74.5 million capital are accounted for by base line adjustments as shown in [table 5](#).

**Table 5: Movement on reserves**

Transferred to/from	Revenue Reserve £000s	Capital Reserve £000s	Total £000s
<b>Reserve at Final Budget 2010-11</b>	<b>225,883</b>	<b>341,078</b>	<b>566,961</b>
<b>Allocations to MEGs from reserves</b>	<b>-25,400</b>	<b>-238,800</b>	<b>-264,200</b>
Health and Social Services	-9,288	-101,300	-110,588
Social Justice & Local Government	0	-10,000	-10,000
Economy & Transport	-4,000	0	-4,000
Children, Education & Lifelong Learning	-5,400	-60,300	-65,700
Environment, Sustainability & Housing	0	-63,400	-63,400
Rural Affairs	0	0	0
Heritage	0	-3,300	-3,300
Public Services & Performance	0	0	0
Central Services & Administration	-6,712	-500	-7,212
<b>Baseline adjustments</b>	<b>-38,664</b>	<b>-74,459</b>	<b>-113,123</b>
Clear Line of Sight adjustments	-69,183	0	-69,183
Capital brought forward from 2010-11	0	-90,755	-90,755
Consequentials from Pre Budget Report			
2009 <sup>a</sup>	6,984	6,402	13,386
Consequentials from Budget 2010			
(March) <sup>b</sup>	22,815	9,894	32,709
Transfers from UK departments	720	0	720
<b>Total movement on reserve</b>	<b>-64,064</b>	<b>-313,259</b>	<b>-377,323</b>
<b>Reserve at Supplementary Budget 2010-11</b>	<b>161,819</b>	<b>27,819</b>	<b>189,638</b>

**Source:** Members; Research Service communication with Welsh Government

a. Consequentials from PBR 2009 consisted of £3m capital from the Warm Front scheme, £2m capital from the Strategic Investment Fund, £1.2m capital from the Green Boiler Scheme, and £7m revenue from the extension of free school meals.

b. Consequentials from the March Budget 2010 consisted of £17.9m revenue as a result of Higher Education, £4.9m revenue as a result of roads investment and £9.9m capital as a result of regional transport schemes. The £11.3m consequential as a result of business rates relief was not received as the Welsh Government decided to implement the policy instead.

The movement on reserves shown in [table 5](#) involve a number of consequentials from UK Government decisions. The £11.3 million consequential arising as a result of the business rates policy announced in the previous UK Government's Budget 2010 was not received, as the Welsh Ministers decided to adopt the policy

rather than accept the consequential.<sup>12</sup> Further information on these consequentials can be found in the Members' Research Service publications:

- [Chancellor's Budget 2010](#) (April 2010)
- [Pre Budget Report 2009](#) (December 2009)

Movement on reserves also includes £90.8 million of capital brought forward. This capital was drawn forward from 2010-11 into 2009-10 to accelerate capital projects and programmes in response to the economic climate.

### *3.1. Strategic Capital Investment Fund Allocations*

The supplementary budget shows that allocations of £313 million have been made from the capital reserve, of which £232.4 million are in relation to SCIF projects. These can be seen in [table 6](#).

However, indicative allocations shown in the recent SCIF review show that £311 million was expected to be allocated to tranche 1 and 2 SCIF projects in 2010-11. This would suggest that there are outstanding allocations of up to £78.5 million still to be made.

### *3.2. Invest to Save*

The supplementary budget details the allocation of £20 million from revenue reserves for the Invest to Save programme. This is intended to 'deliver more efficient and effective public services'.<sup>13</sup> These funds have been allocated as follows:

- £9.3 million to Health & Social Services;
- £4 million to Economy & Transport to accelerate the benefits of the Public Sector Broadband Aggregate programme; and
- £6.7 million to Central Services & Administration to 'establish an Invest to Save fund'.

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<sup>12</sup> From Members' Research Service communication with Welsh Government.

<sup>13</sup> Welsh Government, [Supplementary Budget 2010-11 Explanatory Note](#), 21 June 2010 [accessed 28 June 2010]

**Table 6: SCIF allocations compared to indicative allocations <sup>a</sup>**

<i>£ millions</i>					
Project	Total allocation	2008-09	2009-10	Indicative allocations for 2010-11	Allocation in Supplementary Budget 2010-11
<b>Children, Education, Lifelong Learning &amp; Skills</b>	<b>96.3</b>	<b>9.1</b>	<b>11.9</b>	<b>75.3</b>	<b>60.3</b>
21st Century Schools Capital Programme:	5.0	0.1	2.9	2.0	..
Wrexham (tranche 1)	5.0	0.3	4.8	0.0	..
Newport (tranche 1)	15.0	8.5	1.5	5.0	..
Blaenavon (tranche 1)	4.0	0.3	2.8	1.0	..
Gwynedd (tranche 2)	5.3	0.0	0.0	5.3	..
Ebbw Vale Learning works (tranche 2)	35.0	0.0	0.0	35.0	..
Taf Ely campus (tranche 2)	12.0	0.0	0.0	12.0	..
Da Vinci Arts and innovation Centre (tranche 2) <sup>b</sup>	15.0	0.0	0.0	15.0	..
<b>Economy &amp; Transport</b>	<b>56.2</b>	<b>1.3</b>	<b>13.3</b>	<b>41.6</b>	<b>0.0</b>
Dualling A465 Tredegar to Brynmawr (tranche 1)	9.2	0.3	4.3	4.6	0.0
Improve north-south rail services (tranche 1)	27.0	0.5	4.5	22.0	0.0
Rail improvement Gowerton to Loughor (tranche 1)	20.0	0.5	4.5	15.0	0.0
<b>Environment, Sustainability &amp; Housing</b>	<b>112.0</b>	<b>21.0</b>	<b>34.0</b>	<b>57.0</b>	<b>57.0</b>
All Wales low carbon building project (tranche 1)	26.0	2.0	9.0	15.0	15.0
Delivery of anaerobic digestion plants (tranche 1)	4.0	0.0	2.0	2.0	2.0
Delivery of 400+ affordable homes (tranche 1)	42.0	15.0	16.0	11.0	11.0
Flood/coastal defences (tranche 1)	8.0	0.0	3.0	5.0	5.0
(tranche 1)	12.0	4.0	4.0	4.0	4.0
Affordable housing and Housing Support package (tranche 2)	20.0	0.0	0.0	20.0	20.0
<b>Health &amp; Social Services</b>	<b>172.9</b>	<b>18.1</b>	<b>44.6</b>	<b>110.2</b>	<b>101.3</b>
Health Vision Swansea (tranche 1)	70.0	6.8	0.0	63.2	..
All Wales Primary Care Programme (tranche 1)	16.4	0.0	2.6	13.8	..
Merthyr Tydfil Health and Wellbeing Centre (tranche 1)	8.0	0.0	0.0	8.0	..
All Wales pandemic flu preparedness project (tranche 1)	59.0	11.3	40.0	7.7	..
Hazard area response teams (tranche 1)	3.0	0.0	2.0	1.0	..
Prince Charles Hospital Emergency Care Centre (tranche 2)	8.5	0.0	0.0	8.5	..
Children's Hospital for Wales (tranche 2)	8.0	0.0	0.0	8.0	..
<b>Heritage</b>	<b>8.5</b>	<b>0.2</b>	<b>1.5</b>	<b>6.8</b>	<b>3.3</b>
All Wales cultural heritage initiative (tranche 1)	2.0	0.2	0.5	1.3	1.3
National Library of Wales digitisation project (tranche 1)	2.0	0.0	1.0	1.0	1.0
Eco lighting (tranche 2)	1.0	0.0	0.0	1.0	1.0
Glyn Vivian Art Gallery (tranche 2)	3.5	0.0	0.0	3.5	0.0
<b>Social Justice and Local Government</b>	<b>20.4</b>	<b>0.0</b>	<b>0.9</b>	<b>19.5</b>	<b>10.0</b>
South East Wales Shared Services (tranche 1)	10.4	0.0	0.9	9.5	0.0
Strategic coordination Centre (tranche 2)	10.0	0.0	0.0	10.0	10.0
<b>Central Services and Administration</b>	<b>1.0</b>	<b>0.0</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
Corporate Graphical Information Systems (tranche 1)	1.0	0.0	0.5	0.5	0.5
Total tranche 1	349.0	49.7	106.7	192.6	..
Total tranche 2	118.3	..	..	118.3	..
<b>Total SCIF allocations</b>	<b>467.3</b>	<b>49.7</b>	<b>106.7</b>	<b>310.9</b>	<b>232.4</b>

**Source:** Welsh Government [Supplementary Budget 2010-11](#) and [FIN\(3\)-08-10 : Paper 1 : Inquiry into the Allocation of Capital Resources – Evidence from the Minister for Business and Budget](#)

.. denotes data not available

<sup>a</sup> Allocations for 2008-09, 2009-10 and indicative allocations for 2010-11 are taken from the Minister's paper to Committee [FIN\(3\)-08-10 : Paper 1 : Inquiry into the Allocation of Capital Resources – Evidence from the Minister for Business and Budget](#)

<sup>b</sup> In association with E&T and Heritage.

## 4. Health and Social Services

As compared with Final Budget 2010-11 in December 2009 the Health & Social Services (HSS) MEG:

- Shows the largest nominal increase in TME, with a 3.5 per cent (£216.3 million) increase.
- This consists of a 3.1 per cent (£187.2 million) increase in DEL, and a 32.4 per cent (£29.1 million) increase in AME.
- The DEL increase comprises an increase in revenue DEL of 1.4 per cent (£79.5 million) and an increase in capital DEL of 36.3 percent (£107.7 million).

### *Changes to HSS revenue DEL*

The increase in revenue DEL of 1.4 per cent (£79.5 million) comprises:

- A net increase of £28.7 million as a result of transfers between MEGs, reflecting portfolio changes;
- A net increase of £41.6 million as a result of adjustments in respect of the Alignment project and;
- An increase of £9.3 million allocation from revenue reserves for Invest to Save schemes (to NHS Delivery).

The transfers between MEGs include:

- Transfers in of:
  - £27.5 million from SJLG for the Substance Misuse Action fund (to Deliver the Substance Misuse Strategy Implementation Plan in the Health Central Budgets SPA);
  - £14.4m from the PSP MEG reflecting transfer of responsibility for grant programmes supporting social services from the Care and Social Services inspectorate Wales (to Social Services Strategy in the Social Services SPA);
  - £1 million from SJLG in respect of the Strategy for Older People (to Adult & Older People in the Social Services SPA);
  - £2.6 million from SJLG in respect of Children's Court Fees (to Children's Social Services in the Social Services SPA); and
  - £2.1 million from CSA in respect of Health Commission Wales costs (to NHS Delivery).

- Transfers out of:
  - £4.7 million to CELLS for Youth Justice Services (from Youth Justice in the Children and Youth Justice Services SPA);
  - £10.3 million to SJLG for the Fairer Grant Charging Scheme (from Adult & Older People in the the Social Services SPA); and
  - £4 million to SJLG for the Mental Health Carers Grant (from Adult & Older People in the Social Services SPA).

Adjustments in respect of the Alignment project include the following:

- Removal of £68.4 million for non cash capital charge funding (from NHS Delivery revenue);
- Reclassification of £39.2 million as AME (from NHS Delivery revenue); and
- Allocation of £149.2 million from reserve for NHS depreciation (to NHS Delivery revenue).<sup>14</sup>

### *Changes to HSS capital DEL*

The increase in capital DEL of 36.3 percent (£107.7 million) comprises:

- A net increase of £6.4 million as a result of transfers between MEGs, reflecting portfolio changes; and
- An increase of £101.3 million allocation from capital reserves for SCIF projects (to NHS Delivery; no details are provided on individual allocations).

The transfers between MEGs include:

- Transfer in of £7 million from SJLG for Substance Misuse (to Deliver the Substance Misuse Strategy Implementation Plan in the Health Central Budgets SPA).
- Transfer out of £0.6 million to CELLS for Youth Justice (from Youth Justice Services in the Children and Youth Justice Services SPA).

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<sup>14</sup> The [Supplementary Budget 2010-11 Explanatory Note](#) (page 8) states that there has been an allocation of £149,713k in respect of NHS depreciation. This is an error and should read £149,173k, as communicated to Members' Research Service by the Welsh Government. [accessed 28 June 2010]

## *Changes to HSS AME*

The 32.4 per cent (£29.1 million) increase in AME comprises:

- A decrease of £10.1 million revenue, reflecting revised forecasts for NHS impairments and;
- Reclassification of £39.2 million from revenue DEL to AME

**Table 7: HSS - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
NHS Delivery	5,288,477	52,961	1.0	5,341,438	2,111 Portfolio changes 41,562 Alignment changes 9,288 Allocation from reserve
Health Central Budgets	237,439	27,475	11.6	264,914	27,475 Portfolio changes
Public Health and Prevention	167,711	0	0.0	167,711	0 No changes
Social Services	98,768	3,796	3.8	102,564	3,805 Portfolio changes -9 Alignment changes
CAFCASS Cymru	458	0	0.0	458	0 No changes
Children and Youth Justice Services	4,715	-4,715	-100.0	0	-4,715 Portfolio changes
<b>Total Revenue DEL</b>	<b>5,797,568</b>	<b>79,517</b>	<b>1.4</b>	<b>5,877,085</b>	
<b>Capital DEL:</b>					
NHS Delivery	283,310	101,300	35.8	384,610	101,300 Allocation from reserve
Health Central Budgets	0	7,000	..	7,000	7,000 Portfolio changes
Public Health and Prevention	6,200	0	0.0	6,200	0 No changes
Social Services	6,502	0	0.0	6,502	0 No changes
Children and Youth Justice Services	600	-600	-100.0	0	-600 Portfolio changes
<b>Total Capital DEL</b>	<b>296,612</b>	<b>107,700</b>	<b>36.3</b>	<b>404,312</b>	
<b>Total HSS DEL</b>	<b>6,094,180</b>	<b>187,217</b>	<b>3.1</b>	<b>6,281,397</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 5. Social Justice and Local Government

As compared with Final Budget 2010-11 in December 2009 the Social Justice & Local Government (SJLG) MEG:

- Shows a reduction in TME, of 0.9 per cent (£39.7 million).
- This consists of a 0.8 per cent (£37.8 million) reduction in DEL, and a 14 per cent (£1.9 million) reduction in AME.
- The DEL reduction comprises a decrease in revenue DEL of 0.5 per cent (£22.6 million) and a decrease in capital DEL of 19.4 percent (£15.2 million).

### *Changes to SJLG revenue DEL*

There has been a net decrease of £22.6 million in revenue DEL as a result of transfers between MEGs.

The transfers between MEGs include:

- Transfers out of:
  - £27.5 million to HSS for substance misuse (from Substance Misuse in the Safer Communities SPA);
  - £2.6 million to CELLS for child poverty budgets (£2.5 million from Financial Inclusion and £0.14m from Child Poverty, both in the Supporting Communities and People SPA); and
  - £2.2 million to ESH for Coalfields Regeneration and Groundwork Trusts (from Community Development in the Supporting Communities and People SPA).
- Other transfers to and from the Revenue Support Grant (RSG) reflecting budget adjustments include:
  - £10.3 million transferred into RSG from HSS for the Fairer Charging Grant Scheme;
  - £4 million transferred into RSG from HSS in respect of Mental Health Carers Grant;
  - £0.2 million transferred into RSG from CSA for Local Government Data Unit;
  - £1 million transferred out from RSG to HSS for the Strategy for Older people Grant;
  - £2.6 million transferred out of RSG to HSS for Children's Court Fees;

- transfers out of £0.1 million to RA and £1 million to CSA, in respect of the Sea Fisheries Committee
- all of which are to/from Funding Support for Local Government in the Local Government Funding SPA.

### *Changes to SJLG capital DEL*

The decrease in capital DEL of 19.4 percent (£15.2 million) comprises:

- A net decrease of £25.2 million as a result of transfers between MEGs, reflecting portfolio changes; and
- An increase of £10 million allocation from capital reserves for SCIF projects (to Community Development in the Supporting Communities and People SPA). The projects detailed are three Strategic Coordination Centres.

The transfers between MEGs include:

- Transfers out of:
  - £7 million to HSS for substance misuse (from Substance Misuse in the Safer Communities SPA), and
  - £18.2 million to ESH for regeneration (£17.8 million from Funding Support for Local Government in the Local Government funding SPA and £0.3 million from Community Development in the Supporting Communities and People SPA).

### *Changes to SJLG AME*

The 14 per cent (£1.9 million) reduction in AME comprises adjustments in line with the latest forecasts from Treasury.

**Table 8: SJLG - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Local Government Funding	4,262,195	9,685	0.2	4,271,880	9,685 Portfolio changes
Supporting Communities and People	64,633	-4,816	-7.5	59,817	-4,816 Portfolio changes
Safer Communities	40,898	-27,475	-67.2	13,423	-27,475 Portfolio changes
Local Government Policy	38,397	0	0.0	38,397	0 No changes
Local Taxation Policy	16,064	0	0.0	16,064	0 No changes
Equality, Diversity and Inclusion	1,883	0	0.0	1,883	0 No changes
<b>Total Revenue DEL</b>	<b>4,424,070</b>	<b>-22,606</b>	<b>-0.5</b>	<b>4,401,464</b>	
<b>Capital DEL:</b>					
Local Government Funding	37,843	-17,843	-47.2	20,000	-17,843 Portfolio changes
Supporting Communities and People	21,448	9,680	45.1	31,128	-320 Portfolio changes 10,000 Allocation from reserve
Safer Communities	16,467	-7,000	-42.5	9,467	-7,000 Portfolio changes
Equality, Diversity and Inclusion	2,500	0	0.0	2,500	0 No changes
<b>Total Capital DEL</b>	<b>78,258</b>	<b>-15,163</b>	<b>-19.4</b>	<b>63,095</b>	
<b>Total SJLG DEL</b>	<b>4,502,328</b>	<b>-37,769</b>	<b>-0.8</b>	<b>4,464,559</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 6. Economy & Transport

As compared with Final Budget 2010-11 in December 2009 the Economy & Transport (E&T) MEG:

- Shows the largest reduction in TME (both in nominal and percentage terms), with a 37.1 per cent (£605 million) reduction.
- This consists of a 14.9 per cent (£172 million) reduction in DEL and a 91.3 per cent (£432 million) reduction in AME.
- The DEL reduction comprises a decrease in revenue DEL of 16.7 per cent (£121 million) and a decrease in capital DEL of 11.9 per cent (£51.3 million).

### *Changes to E&T revenue DEL*

The decrease in revenue DEL of 16.7 per cent (£121 million) comprises:

- A net decrease of £12.7 million as a result of transfers between MEGs, reflecting portfolio changes;
- A net decrease of £112.3 million as a result of adjustments in respect of the Alignment project; and;
- An increase of £4 million allocation from revenue reserves for Invest to Save schemes (to the Public Sector Broadband Aggregation SPA). This is stated to be for the acceleration of the Public Sector Broadband Aggregate programme.

The transfers between MEGs include:

- Transfer out of £12.7 million to ESH for Regeneration to reflect changes in Ministerial portfolios (from the Implementation of Strategic Regeneration Areas, Manage Delivery of Legacy Regenerations Areas, and Prepare Future Strategic Regeneration Areas SPAs).

Adjustments in respect of the Alignment project include the following:

- Reclassification of £112.3 million (£0.8 million to Business Start, Grow, Prosper and Invest, £33.2 million from Developing Sustainable Infrastructure for Economic Development and others, and £29.9 million from Improve Domestic Connectivity, and £50 million from Improve International Connectivity). These all relate to the reclassification of non cash.

### *Changes to E&T capital DEL*

The decrease in capital DEL of 11.9 percent (£51.3 million) is due to the transfer out of £51.3 million to ESH for Regeneration to reflect changes in Ministerial portfolios (from the Implementation of Strategic Regeneration Areas, Manage Delivery of Legacy Regenerations Areas, and Prepare Future Strategic Regeneration Areas SPAs).

### *Changes to E&T AME*

The 91.3 per cent (£432 million) reduction in AME is due to reclassification in line with adjustments under the Alignment project.

**Table 9: E&T - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Customer Support and Development of Policies & Strategies	3,088	0	0.0	3,088	0 No changes
Deliver Domestic & International Marketing and Major Events	9,528	0	0.0	9,528	0 No changes
Businesses Start, Grow, Prosper and Invest	34,556	812	2.3	35,368	812 Alignment changes
Developing Sustainable Infrastructure for Economic Development and others	41,261	-33,159	-80.4	8,102	-33,159 Alignment changes
Internationalising the Welsh Economy	5,525	0	0.0	5,525	0 No changes
Develop Wales as a focal point for Innovation Technology & Commercialisation	19,196	0	0.0	19,196	0 No changes
Improve Domestic Connectivity (Regional & National)	292,167	-29,928	-10.2	262,239	-29,928 Alignment changes
Improve International Connectivity	190,561	-50,000	-26.2	140,561	-50,000 Alignment changes
Improve Integrated Transport (Local)	93,006	0	0.0	93,006	0 No changes
Improve Road Safety & Transport's Impact on the Environment	8,397	0	0.0	8,397	0 No changes
Implementation of Strategic Regeneration Areas	2,215	-2,215	-100.0	0	-2,215 Portfolio changes
Manage Delivery of Legacy Regeneration Areas	10,453	-10,453	-100.0	0	-10,453 Portfolio changes
Prepare Future Strategic Regeneration Areas	50	-50	-100.0	0	-50 Portfolio changes
Provide Corporate Programmes and Services	5,550	0	0.0	5,550	0 No changes
Public Sector Broadband Aggregation	6,115	4,000	65.4	10,115	4,000 Allocation from reserve
Manage the Delivery of Structural Fund Programmes in Wales	1,290	0	0.0	1,290	0 No changes
<b>Total Revenue DEL</b>	<b>722,958</b>	<b>-120,993</b>	<b>-16.7</b>	<b>601,965</b>	

**Table 9: E&T - changes to spending programme area (SPA) allocations (continued)**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Capital DEL:</b>					
Deliver Domestic & International Marketing and Major Events	400	0	0.0	400	0 No changes
Businesses Start, Grow, Prosper and Invest	77,899	0	0.0	77,899	0 No changes
Developing Sustainable Infrastructure for Economic Development and others	16,416	0	0.0	16,416	0 No changes
Develop Wales as a focal point for Innovation Technology & Commercialisation	2,794	0	0.0	2,794	0 No changes
Improve Domestic Connectivity (Regional & National)	103,834	0	0.0	103,834	0 No changes
Improve International Connectivity	38,683	0	0.0	38,683	0 No changes
Improve Integrated Transport (Local)	120,917	0	0.0	120,917	0 No changes
Improve Road Safety & Transport's Impact on the Environment	18,257	0	0.0	18,257	0 No changes
Implementation of Strategic Regeneration Areas	41,108	-41,108	-100.0	0	-41,108 Portfolio changes
Manage Delivery of Legacy Regeneration Areas	7,147	-7,147	-100.0	0	-7,147 Portfolio changes
Prepare Future Strategic Regeneration Areas	3,017	-3,017	-100.0	0	-3,017 Portfolio changes
Provide Corporate Programmes and Services	540	0	0.0	540	0 No changes
<b>Total Capital DEL</b>	<b>431,012</b>	<b>-51,272</b>	<b>-11.9</b>	<b>379,740</b>	
<b>Total E&amp;T DEL</b>	<b>1,153,970</b>	<b>-172,265</b>	<b>-14.9</b>	<b>981,705</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 7. Children, Education & Lifelong Learning

As compared with Final Budget 2010-11 in December 2009 the Children, Education & Lifelong Learning (CELLS) MEG:

- Shows an increase in TME, of 4.9 per cent (£101.3 million).
- This consists of a 3.9 per cent (£73.5 million) increase in DEL, and a 15.8 per cent (£27.8 million) increase in AME.
- The DEL increase comprises an increase in revenue DEL of 0.7 per cent (£12.6 million) and an increase in capital DEL of 33.3 percent (£60.9 million).

### *Changes to CELLS revenue DEL*

The increase in revenue DEL of 0.7 per cent (£12.6 million) comprises:

- A net increase of £7.4 million as a result of transfers between MEGs, reflecting portfolio changes;
- A net decrease of £0.2 million as a result of adjustments in respect of the Alignment project; and;
- An increase of £5.4 million allocation from revenue reserves:
  - £5 million for Further Education (to Lifelong Learning & Providers in the Skills, Higher Education and Lifelong Learning SPA); and
  - £0.4 million from the Department of Work and Pensions relating to the School Gates Employment Support project (to Business and Skills in the Skills, Higher Education and Lifelong Learning SPA).

The transfers between MEGs include:

- Transfers in of:
  - £4.7 million from HSS for Youth Justice: and
  - £2.6 million from SJLG for child poverty
  - both to Children and Young People's Strategy in the Children, Young People and School Effectiveness SPA.

Adjustments in respect of the Alignment project include the following:

- Reclassification of £0.2 million: (£0.04 million from Qualifications and Learning in the Qualification, Curriculum and Learning Improvement SPA, and £0.2 million from Higher Education in the Skills, Higher Education and Lifelong Learning SPA) .

### *Changes to CELLS capital DEL*

The increase in capital DEL of 33.3 percent (£60.9 million) comprises:

- A net increase of £0.6 million as a result of transfers between MEGs, reflecting portfolio changes; and
- An increase of £60.3 million allocation from capital reserves for SCIF projects, including Ebbw Vale Learning Works, Taff Ely Campus, Wrexham Secondary Schools and the 21<sup>st</sup> Century Schools capital investment programme (to Capital funding in the Business Improvement and Resource Investment SPA).

The transfers between MEGs include the transfer in of £0.6 million from HSS for Youth Justice (to Children and Young People's Strategy in the Children, Young People and School Effectiveness SPA).

### *Changes to CELLS AME*

The 15.8 per cent (£27.8 million) increase in AME comprises a capital increase in line with revised forecasts from the Student Loans Company.

**Table 10: CELLS - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Children Young People and School Effectiveness	197,305	7,355	3.7	204,660	7,355 Portfolio Changes
Qualification, Curriculum and Learning Improvement	159,887	-37	-0.0	159,850	-37 Alignment changes
Skills, Higher Education and Lifelong Learning	1,047,774	5,198	0.5	1,052,972	5,400 Allocation from reserve -202 Alignment changes
Business Improvement and Resource Investment	287,926	37	0.0	287,963	37 Alignment changes
<b>Total Revenue DEL</b>	<b>1,692,892</b>	<b>12,553</b>	<b>0.7</b>	<b>1,705,445</b>	
<b>Capital DEL:</b>					
Children Young People and School Effectiveness	6,806	600	8.8	7,406	600 Portfolio changes
Skills, Higher Education and Lifelong Learning	19,436	0	0.0	19,436	0 No changes
Business Improvement and Resource Investment	156,650	60,300	38.5	216,950	60,300 Allocation from reserve
<b>Total Capital DEL</b>	<b>182,892</b>	<b>60,900</b>	<b>33.3</b>	<b>243,792</b>	
<b>Total CELLS DEL</b>	<b>1,875,784</b>	<b>73,453</b>	<b>3.9</b>	<b>1,949,237</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 8. Environment, Sustainability & Housing

As compared with Final Budget 2010-11 in December 2009 the Environment, Sustainability & Housing (ESH) MEG:

- Shows an increase in TME of 23.2 per cent (£148.6 million).
- This consists of a 20.6 per cent (£147.6 million) increase in DEL, and a 1.3 per cent (£1 million) increase in AME.<sup>15</sup>
- The DEL increase comprises an increase in revenue DEL of 4 per cent (£14.8 million) and an increase in capital DEL of 38.1 percent (£132.8 million).

### *Changes to ESH revenue DEL*

The increase in revenue DEL of 4 per cent (£14.8 million) comprises:

- A net increase of £14.9 million as a result of transfers between MEGs, reflecting portfolio changes; and
- A net decrease of £0.1 million as a result of reclassification in respect of the Alignment project (from Sponsor and Manage Delivery Bodies in the Environment SPA).

The transfers between MEGs include:

- Transfers in of: £12.7 million from E&T and £2.2 million from SJLG, both in respect of Regeneration (to the Regeneration SPA).

### *Changes to ESH capital DEL*

The increase in capital DEL of 38.1 percent (£132.8 million) comprises:

- A net increase of £69.4 million as a result of transfers between MEGs, reflecting portfolio changes; and
- An increase of £63.4 million allocation from capital reserves.

The transfers between MEGs include:

- Transfer in of £51.3 million from E&T and £18.2 million from SJLG, both in respect of Regeneration (to the Regeneration SPA).

The allocations from capital reserves include:

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<sup>15</sup> The [Supplementary Budget 2010-11 Explanatory Note](#) (page 17) shows this as a decrease in AME. However, as the AME budget has gone from -£78 million to -£77 million, this actually represents a £1 million increase. [accessed 28 June 2010]

- £3.9 million for the Fuel Poverty Scheme (to Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation in the Climate Change and Sustainability SPA);
- £2.5 million for the Mortgage Rescue Scheme (to Increase the supply and choice of housing in the Housing SPA); and
- £57 million for SCIF projects, including:
  - £15 million for the All Wales Low Carbon Building Scheme (to Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation in the Climate Change and Sustainability SPA);
  - £5 million for the Flood and Coastal Defence programme (to Develop and implement flood and coastal risk, water and sewage policy and legislation in the Climate Change and Sustainability SPA);
  - £2 million for Anaerobic digestion Waste Plants (to Manage and implement the Waste Strategy and waste procurement in the Climate Change and Sustainability SPA);
  - £31 million for affordable homes (to Increase the supply and choice of housing in the Housing SPA); and
  - £4 million for the Low Carbon Region in the Heads of the Valleys (to Implementation of Strategic Regeneration Areas in the Regeneration SPA).

### *Changes to ESH AME*

The 1.3 per cent (£1 million) increase in AME comprises a revenue adjustment in line with revised forecasts for the Housing Revenue Account subsidy.<sup>15</sup>

**Table 11: ESH - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Climate Change and Sustainability	119,710	0	0.0	119,710	0 No changes
Environment	83,963	-108	-0.1	83,855	-108 Alignment changes
Housing	157,347	0	0.0	157,347	0 No changes
Planning	8,074	0	0.0	8,074	0 No changes
Regeneration	0	14,894	..	14,894	14,894 Portfolio changes
<b>Total Revenue DEL</b>	<b>369,094</b>	<b>14,786</b>	<b>4.0</b>	<b>383,880</b>	
<b>Capital DEL:</b>					
Climate Change and Sustainability	67,220	25,900	38.5	93,120	25,900 Allocation from reserve
Environment	8,259	0	0.0	8,259	0 No changes
Housing	273,079	33,500	12.3	306,579	33,500 Allocation from reserve
Planning	0	0	0.0	0	0 No changes
Regeneration	0	73,435	..	73,435	69,435 Portfolio changes 4,000 Allocation from reserve
<b>Total Capital DEL</b>	<b>348,558</b>	<b>132,835</b>	<b>38.1</b>	<b>481,393</b>	
<b>Total ESH DEL</b>	<b>717,652</b>	<b>147,621</b>	<b>20.6</b>	<b>865,273</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 9. Rural Affairs

As compared with Final Budget 2010-11 in December 2009 the Rural Affairs (RA) MEG:

- Shows a decrease in TME of 6.8 per cent (£10.4 million).
- This is wholly due to a reduction in DEL, as the RA MEG has no AME.
- The DEL reduction comprises a decrease in revenue DEL of 7.6 per cent (£10.4 million) and no change in capital DEL.

### *Changes to RA revenue DEL*

The decrease in revenue DEL of 7.6 per cent (£10.4 million) comprises:

- A net increase of £0.1 million as a result of a transfer in from SJLG for the Sea Fisheries Committees (to Developing, managing and enforcing Welsh Fisheries and aquaculture in the Welsh Food and Drink Industry SPA); and
- A net decrease of £10.5 million as a result of reclassification in respect of the Alignment project (mainly from the Implementing the new Woodland Strategy through forestry Commission Wales in the Common Agriculture Policy and the Countryside SPA)..

There have been no changes in revenue DEL or AME within the RA MEG.

**Table 12: RA - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Protecting and improving Animal Health and Welfare	25,153	0	0.0	25,153	0 No changes
Rural European Policies Evidence Base	69,054	0	0.0	69,054	0 No changes
Welsh Food, Fish and Drink Industry	1,065	-38	-3.6	1,027	-38 Alignment changes
Common Agriculture Policy and the Countryside	6,689	125	1.9	6,814	125 Portfolio changes
	34,446	-10,458	-30.4	23,988	-10,458 Alignment changes
<b>Total Revenue DEL</b>	<b>136,407</b>	<b>-10,371</b>	<b>-7.6</b>	<b>126,036</b>	
<b>Capital DEL:</b>					
Rural European Policies	15,372	0	0.0	15,372	0 No changes
Evidence Base	38	0	0.0	38	0 No changes
Welsh Food, Fish and Drink Industry	1,524	0	0.0	1,524	0 No changes
Common Agriculture Policy and the Countryside	-205	0	0.0	-205	0 No changes
<b>Total Capital DEL</b>	<b>16,729</b>	<b>0</b>	<b>0.0</b>	<b>16,729</b>	
<b>Total RA DEL</b>	<b>153,136</b>	<b>-10,371</b>	<b>-6.8</b>	<b>142,765</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 10. Heritage

As compared with Final Budget 2010-11 in December 2009 the Heritage (HER) MEG:

- Shows a decrease in TME of 17 per cent (£32.6 million).
- This consists of a 3.1 per cent (£5.1 million) decrease in DEL, and a 93 per cent (£27.5 million) decrease in AME.
- The DEL reduction comprises a decrease in revenue DEL of 5.7 per cent (£8.4 million) and an increase in capital DEL of 21.8 per cent (£3.3 million).

### *Changes to HER revenue DEL*

The decrease in revenue DEL of 5.7 per cent (£8.4 million) comprises:

- A net decrease of £8.4 million as a result of reclassification in respect of the Alignment project (adjustments have been made across all revenue SPAs).

### *Changes to HER capital DEL*

The increase in capital DEL of 21.8 per cent (£3.3 million) comprises:

- An increase of £3.3 million allocation from capital reserves for SCIF projects, including:
  - £1 million for the National Library of Wales digitisation project (to Foster Usage and Lifelong learning through Library Services in the Museums, Archives and Libraries SPA);
  - £1.3 million for the All Wales Cultural Heritage Initiative and £1 million for the Eco lighting project (both to the Conserve, protect, sustain and promote access to the historic environment SPA).

### *Changes to HER AME*

The 93 per cent (£27.5 million) decrease in AME comprises an adjustment in revenue in line with revised forecasts and to show the change in provision (rather than total provision), for the pension deficit.

**Table 13: HER - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Support and sustain a strong arts sector via the Arts Council and others	36,780	-250	-0.7	36,530	-250 Alignment changes
Museums, Archives and Libraries	46,664	-7,100	-15.2	39,564	-7,100 Alignment changes
Delivery of effective sports & physical activity programmes	27,145	-800	-2.9	26,345	-800 Alignment changes
Promote wider use of the Welsh Language via the Welsh Language Board and others	17,949	-30	-0.2	17,919	-30 Alignment changes
Conserve, protect, sustain and promote access to the historic environment	5,769	-229	-4.0	5,540	-229 Alignment changes
Tourism	13,064	0	0.0	13,064	
<b>Total Revenue DEL</b>	<b>147,371</b>	<b>-8,409</b>	<b>-5.7</b>	<b>138,962</b>	
<b>Capital DEL:</b>					
Support and sustain a strong arts sector via the Arts Council and others	1,090	0	0.0	1,090	0 No changes
Museums, Archives and Libraries	6,602	1,000	15.1	7,602	1,000 Allocation from reserve
Delivery of effective sports & physical activity programmes	1,170	0	0.0	1,170	0 No changes
Promote wider use of the Welsh Language via the Welsh Language Board and others	125	0	0.0	125	0 No changes
Conserve, protect, sustain and promote access to the historic environment	6,135	2,300	37.5	8,435	2,300 Allocation from reserve
<b>Total Capital DEL</b>	<b>15,122</b>	<b>3,300</b>	<b>21.8</b>	<b>18,422</b>	
<b>Total HER DEL</b>	<b>162,493</b>	<b>-5,109</b>	<b>-3.1</b>	<b>157,384</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 11. Public Services & Performance

As compared with Final Budget 2010-11 in December 2009 the Public Services & Performance (PSP) MEG:

- Shows the largest percentage increase in TME, with a 30.1 per cent (£16.6 million) increase.
- This consists wholly of a 30.1 per cent (£16.6 million) increase in DEL, as the PSP MEG has no AME budget.
- The DEL increase comprises a decrease in revenue DEL of 8 per cent (£4.4 million) and an increase in capital DEL of £21 million, (almost 50 times the previous capital DEL of £0.4 million).

### *Changes to PSP revenue DEL*

The decrease in revenue DEL of 8 per cent (£4.4 million) comprises:

- A net decrease of £4.4 million as a result of transfers between MEGs, reflecting portfolio changes; and
- A net increase of £0.02 million as a result of reclassification in respect of the Alignment project (in the Estyn SPA).

The transfers between MEGs include:

- Transfer in of: £10 million from CSA for Match Funding (to the Match Funding SPA).
- Transfer out of £14.4 million to HSS reflecting transferred responsibility for grant programmes supporting social services from the Care and Social Services Inspectorate Wales (CSSIW) (from the CSSIW SPA).

### *Changes to PSP capital DEL*

The increase in capital DEL of £21 million, (almost 50 times the previous capital DEL of £0.4 million) is the result of a transfer in of £21 million from CSA in respect of Match Funding (to the Match Funding SPA).

The PSP MEG has no AME budget.

**Table 14: PSP - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Care and Social Services Inspectorate	30,959	-14,425	-46.6	16,534	-14,425 Portfolio changes
Healthcare Inspectorate Wales	2,963	0	0.0	2,963	0 No changes
Estyn	14,055	25	0.2	14,080	25 Alignment changes
Inspection, Regulation and Performance Frameworks	650	0	0.0	650	0 No changes
Local & Regional Collaboration	1,560	0	0.0	1,560	0 No changes
Making the Connections	3,321	0	0.0	3,321	0 No changes
Leadership and Management Capacity	1,196	0	0.0	1,196	0 No changes
Match Funding	0	10,000	..	10,000	10,000 Portfolio changes
<b>Total Revenue DEL</b>	<b>54,704</b>	<b>-4,400</b>	<b>-8.0</b>	<b>50,304</b>	
<b>Capital DEL:</b>					
Estyn	425	0	0.0	425	0 No changes
Match Funding	0	21,000	0.0	21,000	21,000 Portfolio changes
<b>Total Capital DEL</b>	<b>425</b>	<b>21,000</b>	<b>4941.2</b>	<b>21,425</b>	
<b>Total PSP DEL</b>	<b>55,129</b>	<b>16,600</b>	<b>30.1</b>	<b>71,729</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)

## 12. Central Services & Administration

As compared with Final Budget 2010-11 in December 2009 the Central Services & Administration (CSA) MEG:

- Shows a decrease in TME of 6.5 per cent (£25.9 million).
- This consists wholly of a 6.5 per cent (£25.9 million) reduction in DEL, as the CSA MEG has no AME budget.
- The DEL reduction comprises a decrease in revenue DEL of 1.5 per cent (£5.4 million) and a decrease in capital DEL of 56.9 percent (£20.5 million).

### *Changes to CSA revenue DEL*

The decrease in revenue DEL of 1.5 per cent (£5.4 million) comprises:

- A net decrease of £11.3 million as a result of transfers between MEGs, reflecting portfolio changes;
- A net decrease of £0.8 million as a result of adjustments in respect of the Alignment project (from General Administration in the Other Central Administration Costs SPA) and;
- An increase of £6.7 million allocation from revenue reserves to establish an Invest to Save fund (to the Other Central Administration Costs SPA).

The transfers between MEGs include:

- Transfers in of: £1 million from SJLG in respect of the Sea Fisheries Committee (£0.99 million to Staff Costs in the Staff Costs and Salaries SPA, and £0.01 million to General Administration in the Other Central Administration Costs SPA).
- Transfers out of:
  - £10 million to PSP for Match Funding (from Match Funding SPA);
  - £2.1 million to HSS for Health Commission Wales costs (from Staff Costs and Salaries SPA); and
  - £0.2 million to SJLG for the Local Government Data Unit (from Other Central Administration Costs SPA).

### *Changes to CSA capital DEL*

The decrease in capital DEL of 56.9 percent (£20.5 million) comprises:

- A net decrease of £21 million as a result of transfer to PSP in respect of Match Funding (from Match Funding SPA); and
- An increase of £0.5 million allocation from capital reserves for the Geographical Information Systems SCIF project (to Capital in Other Central Administration Costs SPA).

The CSA MEG has no AME budget.

**Table 15: CSA - changes to spending programme area (SPA) allocations**

Main Expenditure Group (MEG)	Total Final Budget 10-11 (Dec 2009)	Change from Final Budget to Supplementary Budget		Supplementary Budget 10-11 (June 2010)	Nature of Changes
	£000s	£000s	per cent	£000s	
<b>Revenue DEL:</b>					
Staff Costs and Salaries	245,738	-1,126	-0.5	244,612	-1,126 Portfolio changes
Other Central Administration Costs	105,427	5,732	5.4	111,159	-175 Portfolio changes -805 Alignment changes 6,712 Allocation from reserve
Match Funding	10,000	-10,000	-100.0	0	-10,000 Portfolio changes
<b>Total Revenue DEL</b>	<b>361,165</b>	<b>-5,394</b>	<b>-1.5</b>	<b>355,771</b>	
<b>Capital DEL:</b>					
Other Central Administration Costs	15,033	500	3.3	15,533	500 Allocation from reserve
Match Funding	21,000	-21,000	-100.0	0	-21,000 Portfolio changes
<b>Total Capital DEL</b>	<b>36,033</b>	<b>-20,500</b>	<b>-56.9</b>	<b>15,533</b>	
<b>Total CSA DEL</b>	<b>397,198</b>	<b>-25,894</b>	<b>-6.5</b>	<b>371,304</b>	

Source: Members' Research Service calculations from [Supplementary Budget 2010-11](#)