

## National Assembly for Wales

### Supplementary Budget 2009-10 (February 2010) March 2010

This paper provides information on the Supplementary Budget 2009-10, laid by the Welsh Government in February 2010. It summarises changes in spending between portfolios, the use of reserves and strategic capital investment.

Changes in spending are also tracked back to the Final Budget 2009-10 agreed by the Assembly in December 2008, which is not produced in documentation provided by the Welsh Government

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Enquiry no: 10 / 0764

## **National Assembly for Wales**

Supplementary Budget 2009-10  
(February 2010)  
March 2010

Dr Eleanor Roy

Paper Number: 10 / 006



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## Summary

**Overall, this supplementary budget allocates an additional £569 million DEL to Welsh Government departments.**

- Total managed expenditure (TME) on departmental allocations has increased by 4.5 per cent (£709.2 million) in comparison with the July supplementary budget, and by 6.6 per cent (£1 billion) in comparison with the final budget in December 2008.
- Departmental expenditure limits (DEL) on portfolio allocations has increased by 3.7 per cent (£569.1 million) in comparison with the July supplementary budget; and by 5.2 per cent (£772.9 million) in comparison with the final budget in December 2008.
- Annually managed expenditure (AME) has increased by 21.3 per cent (£140.1 million) in comparison with the July supplementary budget; and by 45.5 per cent (£249.7million) in comparison with the final budget in December 2008.

Of the DEL allocations to Welsh Government departments, in comparison to the July supplementary budget:

- The Central Services and Administration MEG received the largest percentage increase: 10.8 per cent, representing an additional £42.6 million.
- The Health and Social Services MEG received the largest nominal increase: £351.6 million, representing 5.8 per cent.
- The Public Services and performance MEG received the only decrease: 8 per cent, representing £4.8 million.



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# Supplementary Budget 2009-10

## 1. Overview of Supplementary Budget 2009-10

The second supplementary budget motion for the financial year 2009-10<sup>1</sup> was laid by the Minister for Business and Budget (Jane Hutt) on 23 February 2010. This was accompanied by an explanatory note (EN)<sup>2</sup> and main expenditure group (MEG) tables.<sup>3</sup> This supplementary budget amends the previous supplementary budget approved by the Assembly on 27 October 2009.<sup>4</sup>

The EN accompanying the supplementary budget states:

The Supplementary Budget is mainly administrative in nature and reflects reprioritisations within portfolios and a number of budget transfers between portfolios. It also sets out a number of additional allocations from our reserves, which have been augmented by the drawdown of resources from stocks of end year flexibility and includes allocations from the Strategic Capital Investment Fund.<sup>5</sup>

**Note that the budget changes stated within this paper are in absolute terms, no adjustments have been made for inflation.**

The following tables summarise the changes proposed within the supplementary budget, in comparison with both the earlier supplementary budget in July 2009,<sup>6</sup> and the final budget in December 2008.<sup>7</sup>

[Table 1](#) provides an overview of the total managed expenditure (TME).<sup>8</sup>

[Table 2](#) summarises the total departmental expenditure limit (DEL)<sup>9</sup> allocations.

[Figure 1](#) details the per cent change in DEL allocations to each main expenditure group (MEG).

[Table 3](#) shows the annually managed expenditure (AME)<sup>10</sup> allocations.

<sup>1</sup> Welsh Government, [Supplementary Budget Motion 2009-10](#) (February 2010) [accessed 5 March 2010]

<sup>2</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) [accessed 5 March 2010]

<sup>3</sup> Welsh Government, [Supplementary Budget 2009-10 Main Expenditure Group Allocations](#) (February 2010) [accessed 5 March 2010]

<sup>4</sup> Welsh Government, [Supplementary Budget 2009-10](#) (July 2009). The Finance Committee report on this supplementary budget can be accessed here: [Finance Committee Supplementary Budget Motion 2009-10 \(14 July 2009\)](#) October 2009. [accessed 5 March 2010]

<sup>5</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) page 2 [accessed 5 March 2010]

<sup>6</sup> Welsh Government, [Supplementary Budget 2009-10](#) (July 2009) [accessed 5 March 2010]

<sup>7</sup> Welsh Government, [Final Budget 2009-10](#) (December 2008) [accessed 5 March 2010]

<sup>8</sup> **Total managed expenditure (TME)** – represents revenue and capital spending of the public sector and is made up of DEL and AME.

<sup>9</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>10</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 HM Treasury if required, while any unspent portion will be reclaimed by HM Treasury.

[Tables 4](#) and [5](#) show the changes to revenue and capital DEL allocations, respectively.

From tables 1 to 3 it can be seen that:

- TME on departmental allocations has increased by 4.5 per cent (£709.2 million) in comparison with the July supplementary budget; and by 6.6 per cent (£1 billion) in comparison with the final budget in December 2008.
- DEL on departmental allocations has increased by 3.7 per cent (£569.1 million) in comparison with the July supplementary budget; and by 5.2 per cent (£772.9 million) in comparison with the final budget in December 2008.
- AME has increased by 21.3 per cent (£140.1 million) in comparison with the July supplementary budget; and by 45.5 per cent (£249.7million) in comparison with the final budget in December 2008.

Of the DEL allocations to Welsh Government departments, in comparison to the July supplementary budget:

- The Central Services and Administration MEG received the largest percentage increase: 10.8 per cent, representing an additional £42.7 million.
- The Health and Social Services MEG received the largest nominal increase: £351.6 million, representing 5.8 per cent.
- The Public Services and performance MEG received the only decrease: 8 per cent, representing £4.8 million.

**Overall, the supplementary budget allocates an additional £569 million DEL** (representing a 3.7 per cent increase on the July supplementary budget) to Welsh Government departments. Figure 2 shows how this is distributed among the portfolios.

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

| Main Expenditure Group (MEG)                                    | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|---|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|   | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Health & Social Services  | 5,995,036                           | 109,226  | 1.8        | 6,104,262                              | 464,261   | 7.6        | 6,568,523                             | 573,487  | 9.6        |
| Social Justice & Local Government                               | 4,416,519                           | 0  | 0.0        | 4,416,519                              | 4,518   | 0.1        | 4,421,037                             | 4,518  | 0.1        |
| Economy & Transport   | 1,616,306                           | 84,807   | 5.2        | 1,701,113                              | 98,352  | 5.8        | 1,799,465                             | 183,159  | 11.3       |
| Children, Education, Lifelong Learning & Skills                 | 2,039,627                           | 66,690   | 3.3        | 2,106,317                              | 68,806  | 3.3        | 2,175,123                             | 135,496  | 6.6        |
| Environment, Sustainability & Housing                           | 682,598                             | 45,920   | 6.7        | 728,518                                | 20,308  | 2.8        | 748,826                               | 66,228   | 9.7        |
| Rural Affairs   | 152,371                             | 0  | 0.0        | 152,371                                | 2,692   | 1.8        | 155,063                               | 2,692  | 1.8        |
| Heritage  | 177,487                             | 6,730  | 3.8        | 184,217                                | 12,430  | 6.7        | 196,647                               | 19,160   | 10.8       |
| Public Services & Performance                                   | 59,785                              | 0  | 0.0        | 59,785                                 | -4,809  | -8.0       | 54,976                                | -4,809   | -8.0       |
| Central Services & Administration                               | 395,327                             | -17  | 0.0        | 395,310                                | 42,627  | 10.8       | 437,937                               | 42,610   | 10.8       |
| <b>Total Departmental TME allocations</b>                       | <b>15,535,056</b>                   | <b>313,356</b>   | <b>2.0</b> | <b>15,848,412</b>                      | <b>709,185</b>  | <b>4.5</b> | <b>16,557,597</b>                     | <b>1,022,541</b>   | <b>6.6</b> |
| Revenue Reserves  | 132,485                             | -51,811  | -39.1      | 80,674                                 | -59,049   | -73.2      | 21,625                                | -110,860   | -83.7      |
| Capital Reserves held for the Strategic Capital Investment Fund | 49,509                              | 0  | 0.0        | 49,509                                 | -47,409   | -95.8      | 2,100                                 | -47,409  | -95.8      |
| Assembly Commission   | 47,042                              | 0  | 0.0        | 47,042                                 | 2,659   | 5.7        | 49,701                                | 2,659  | 5.7        |
| Auditor General for Wales                                       | 5,047                               | 0  | 0.0        | 5,047                                  | 0   | 0.0        | 5,047                                 | 0  | 0.0        |
| Public Services Ombudsman for Wales                             | 3,259                               | 0  | 0.0        | 3,259                                  | 20  | 0.6        | 3,279                                 | 20   | 0.6        |
| Direct Charges  | 653                                 | 0  | 0.0        | 653                                    | 0   | 0.0        | 653                                   | 0  | 0.0        |
| <b>Total within Wales TME</b>                                   | <b>15,723,542</b>                   | <b>261,545</b>   | <b>1.7</b> | <b>15,985,087</b>                      | <b>654,915</b>  | <b>4.1</b> | <b>16,640,002</b>                     | <b>916,460</b>   | <b>5.8</b> |

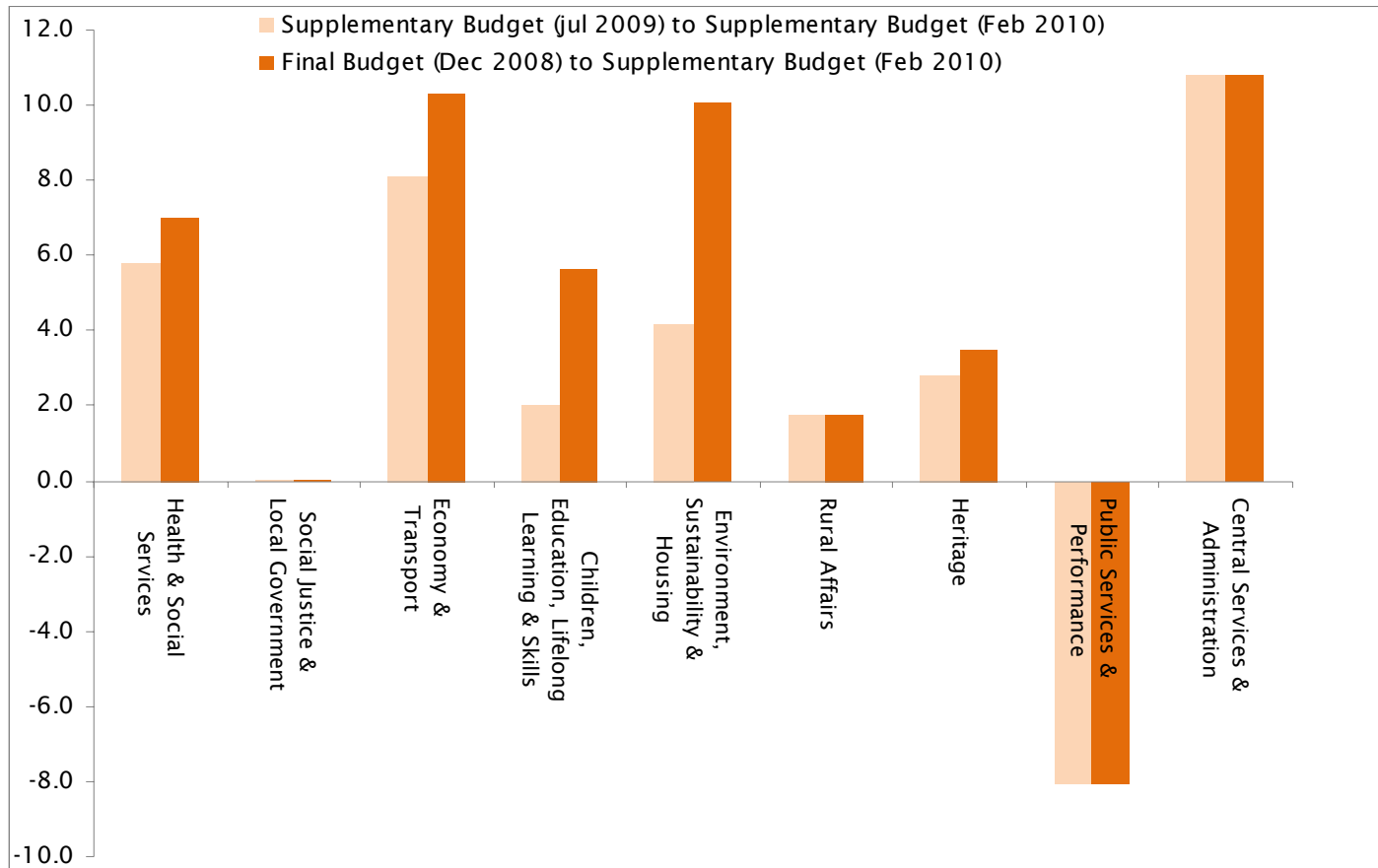
Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

**Table 2: Changes to departmental expenditure limits (DEL)**

| Main Expenditure Group (MEG)                                    | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|---|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|   | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Health & Social Services  | 5,995,036                           | 69,004   | 1.2        | 6,064,040                              | 351,610   | 5.8        | 6,415,650                             | 420,614  | 7.0        |
| Social Justice & Local Government                               | 4,403,494                           | 0  | 0.0        | 4,403,494                              | 1,243   | 0.0        | 4,404,737                             | 1,243  | 0.0        |
| Economy & Transport   | 1,185,511                           | 24,200   | 2.0        | 1,209,711                              | 98,352  | 8.1        | 1,308,063                             | 122,552  | 10.3       |
| Children, Education, Lifelong Learning & Skills                 | 1,875,967                           | 66,690   | 3.6        | 1,942,657                              | 39,404  | 2.0        | 1,982,061                             | 106,094  | 5.7        |
| Environment, Sustainability & Housing                           | 757,598                             | 42,920   | 5.7        | 800,518                                | 33,370  | 4.2        | 833,888                               | 76,290   | 10.1       |
| Rural Affairs   | 152,371                             | 0  | 0.0        | 152,371                                | 2,692   | 1.8        | 155,063                               | 2,692  | 1.8        |
| Heritage  | 161,463                             | 1,000  | 0.6        | 162,463                                | 4,600   | 2.8        | 167,063                               | 5,600  | 3.5        |
| Public Services & Performance                                   | 59,785                              | 0  | 0.0        | 59,785                                 | -4,809  | -8.0       | 54,976                                | -4,809   | -8.0       |
| Central Services & Administration                               | 395,327                             | -17  | 0.0        | 395,310                                | 42,627  | 10.8       | 437,937                               | 42,610   | 10.8       |
| <b>Total Departmental DEL allocations</b>                       | <b>14,986,552</b>                   | <b>203,797</b>   | <b>1.4</b> | <b>15,190,349</b>                      | <b>569,089</b>  | <b>3.7</b> | <b>15,759,438</b>                     | <b>772,886</b>   | <b>5.2</b> |
| Revenue Reserves  | 132,485                             | -51,811  | -39.1      | 80,674                                 | -59,049   | -73.2      | 21,625                                | -110,860   | -83.7      |
| Capital Reserves held for the Strategic Capital Investment Fund | 49,509                              | 0  | 0.0        | 49,509                                 | -47,409   | -95.8      | 2,100                                 | -47,409  | -95.8      |
| Assembly Commission   | 47,751                              | 1,950  | 4.1        | 49,701                                 | 0   | 0.0        | 49,701                                | 1,950  | 4.1        |
| Auditor General for Wales                                       | 5,047                               | 0  | 0.0        | 5,047                                  | 0   | 0.0        | 5,047                                 | 0  | 0.0        |
| Public Services Ombudsman for Wales                             | 3,279                               | 0  | 0.0        | 3,279                                  | 0   | 0.0        | 3,279                                 | 0  | 0.0        |
| Direct Charges  | 653                                 | 0  | 0.0        | 653                                    | 0   | 0.0        | 653                                   | 0  | 0.0        |
| <b>Total within Wales DEL</b>                                   | <b>15,225,276</b>                   | <b>153,936</b>   | <b>1.0</b> | <b>15,379,212</b>                      | <b>462,631</b>  | <b>3.0</b> | <b>15,841,843</b>                     | <b>616,567</b>   | <b>4.0</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

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



Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

**Table 3: Changes to annually managed expenditure (AME)**

| Main Expenditure Group (MEG)                    | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |             | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|---|-------------------------------------|--|-------------|--|---|-------------|---------------------------------------|--|-------------|
|   | £000s                               | £000s  | per cent    | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| Health & Social Services                        | 0                                   | 40,222   | ..          | 40,222                                 | 112,651   | 280.1       | 152,873                               | 152,873  | ..          |
| Social Justice & Local Government               | 13,025                              | 0  | 0.0         | 13,025                                 | 3,275   | 25.1        | 16,300                                | 3,275  | 25.1        |
| Economy & Transport                             | 430,795                             | 60,607   | 14.1        | 491,402                                | 0   | 0.0         | 491,402                               | 60,607   | 14.1        |
| Children, Education, Lifelong Learning & Skills | 163,660                             | 0  | 0.0         | 163,660                                | 29,402  | 18.0        | 193,062                               | 29,402   | 18.0        |
| Environment, Sustainability & Housing           | -75,000                             | 3,000  | 4.0         | -72,000                                | -13,062   | 18.1        | -85,062                               | -10,062  | 13.4        |
| Heritage  | 16,024                              | 5,730  | 35.8        | 21,754                                 | 7,830   | 36.0        | 29,584                                | 13,560   | 84.6        |
| <b>Total AME budget</b>                         | <b>548,504</b>                      | <b>109,559</b>   | <b>20.0</b> | <b>658,063</b>                         | <b>140,096</b>  | <b>21.3</b> | <b>798,159</b>                        | <b>249,655</b>   | <b>45.5</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## *1.1. Revenue and capital DEL allocations*

From tables 4 and 5 it can be seen that, in comparison to the July supplementary budget:

- The Central Services and Administration MEG received the largest percentage increase in revenue DEL: 11.9 per cent, representing an additional £42.3 million.
- The Health and Social Services MEG received by far the largest nominal increase in revenue DEL: £348.9 million, representing 6.2 per cent.
- The Public Services and Performance MEG received the greatest percentage reduction in revenue DEL: 8.1 per cent, representing £4.8 million
- The Economy and Transport MEG received the greatest nominal decrease in revenue DEL: £25.3 million, representing 3.5 per cent.
- The Economy and Transport MEG received the greatest increase in capital DEL, both in percentage and nominal terms. With an increase of £123.7 million, representing 25.2 per cent.
- The Rural Affairs MEG received the greatest reduction in capital DEL, both in percentage and nominal terms, with a decrease of £6 million, or 34.2 per cent.

**Table 4: Changes to revenue DEL**

| Main Expenditure Group (MEG)                                    | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|---|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|   | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Health & Social Services  | 5,620,422                           | 31,204   | 0.6        | 5,651,626                              | 348,917   | 6.2        | 6,000,543                             | 380,121  | 6.8        |
| Social Justice & Local Government                               | 4,327,063                           | 0  | 0.0        | 4,327,063                              | -257  | 0.0        | 4,326,806                             | -257   | 0.0        |
| Economy & Transport   | 718,106                             | 0  | 0.0        | 718,106                                | -25,321   | -3.5       | 692,785                               | -25,321  | -3.5       |
| Children, Education, Lifelong Learning & Skills                 | 1,648,326                           | 29,490   | 1.8        | 1,677,816                              | 27,504  | 1.6        | 1,705,320                             | 56,994   | 3.5        |
| Environment, Sustainability & Housing                           | 350,233                             | 0  | 0.0        | 350,233                                | -2,083  | -0.6       | 348,150                               | -2,083   | -0.6       |
| Rural Affairs   | 134,835                             | 0  | 0.0        | 134,835                                | 8,692   | 6.4        | 143,527                               | 8,692  | 6.4        |
| Heritage  | 145,166                             | 0  | 0.0        | 145,166                                | 3,100   | 2.1        | 148,266                               | 3,100  | 2.1        |
| Public Services & Performance                                   | 59,340                              | 0  | 0.0        | 59,340                                 | -4,809  | -8.1       | 54,531                                | -4,809   | -8.1       |
| Central Services & Administration                               | 355,294                             | -17  | 0.0        | 355,277                                | 42,300  | 11.9       | 397,577                               | 42,283   | 11.9       |
| <b>Total Departmental DEL allocations</b>                       | <b>13,358,785</b>                   | <b>60,677</b>  | <b>0.5</b> | <b>13,419,462</b>                      | <b>398,043</b>  | <b>3.0</b> | <b>13,817,505</b>                     | <b>458,720</b>   | <b>3.4</b> |
| Revenue Reserves  | 132,485                             | -51,811  | -39.1      | 80,674                                 | -59,049   | -73.2      | 21,625                                | -110,860   | -83.7      |
| Capital Reserves held for the Strategic Capital Investment Fund | 0                                   | 0  | ..         | 0                                      | 0   | ..         | 0                                     | 0  | ..         |
| Assembly Commission   | 47,042                              | 0  | 0.0        | 47,042                                 | -1,161  | -2.5       | 45,881                                | -1,161   | -2.5       |
| Auditor General for Wales                                       | 5,047                               | 0  | 0.0        | 5,047                                  | 0   | 0.0        | 5,047                                 | 0  | 0.0        |
| Public Services Ombudsman for Wales                             | 3,259                               | 0  | 0.0        | 3,259                                  | 0   | 0.0        | 3,259                                 | 0  | 0.0        |
| Direct Charges  | 653                                 | 0  | 0.0        | 653                                    | 0   | 0.0        | 653                                   | 0  | 0.0        |
| <b>Total within Wales DEL</b>                                   | <b>13,547,271</b>                   | <b>8,866</b>   | <b>0.1</b> | <b>13,556,137</b>                      | <b>337,833</b>  | <b>2.5</b> | <b>13,893,970</b>                     | <b>346,699</b>   | <b>2.6</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

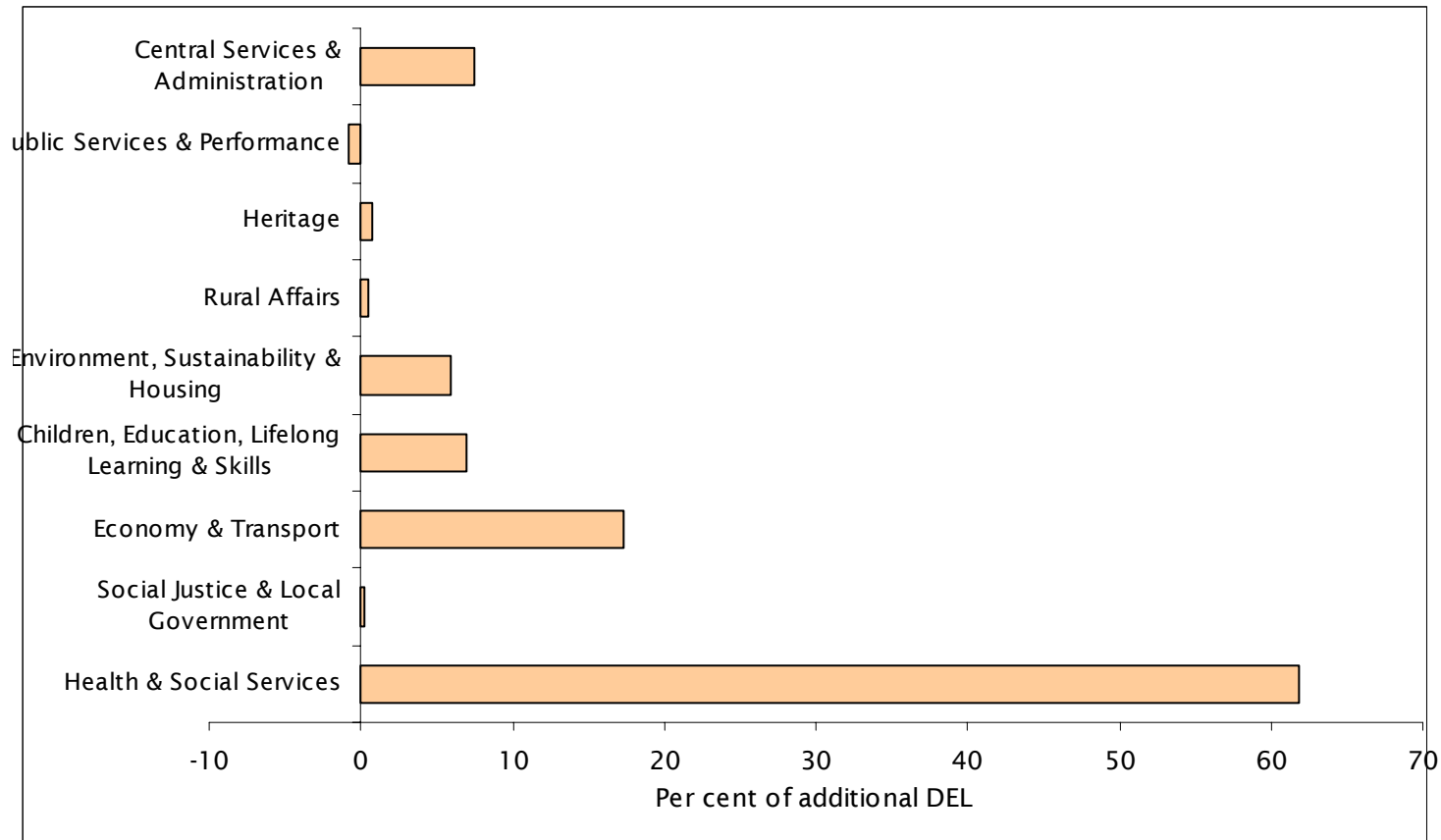


**Table 5: Changes to capital DEL**

| Main Expenditure Group (MEG)                                    | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|---|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|-------------|
|   | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| Health & Social Services  | 374,614                             | 37,800   | 10.1       | 412,414                                | 2,693   | 0.7        | 415,107                               | 40,493   | 10.8        |
| Social Justice & Local Government                               | 76,431                              | 0  | 0.0        | 76,431                                 | 1,500   | 2.0        | 77,931                                | 1,500  | 2.0         |
| Economy & Transport   | 467,405                             | 24,200   | 5.2        | 491,605                                | 123,673   | 25.2       | 615,278                               | 147,873  | 31.6        |
| Children, Education, Lifelong Learning & Skills                 | 227,641                             | 37,200   | 16.3       | 264,841                                | 11,900  | 4.5        | 276,741                               | 49,100   | 21.6        |
| Environment, Sustainability & Housing                           | 407,365                             | 42,920   | 10.5       | 450,285                                | 35,453  | 7.9        | 485,738                               | 78,373   | 19.2        |
| Rural Affairs   | 17,536                              | 0  | 0.0        | 17,536                                 | -6,000  | -34.2      | 11,536                                | -6,000   | -34.2       |
| Heritage  | 16,297                              | 1,000  | 6.1        | 17,297                                 | 1,500   | 8.7        | 18,797                                | 2,500  | 15.3        |
| Public Services & Performance                                   | 445                                 | 0  | 0.0        | 445                                    | 0   | 0.0        | 445                                   | 0  | 0.0         |
| Central Services & Administration                               | 40,033                              | 0  | 0.0        | 40,033                                 | 327   | 0.8        | 40,360                                | 327  | 0.8         |
| <b>Total Departmental DEL allocations</b>                       | <b>1,627,767</b>                    | <b>143,120</b>   | <b>8.8</b> | <b>1,770,887</b>                       | <b>171,046</b>  | <b>9.7</b> | <b>1,941,933</b>                      | <b>314,166</b>   | <b>19.3</b> |
| Revenue Reserves  | 0                                   | 0  | ..         | 0                                      | 0   | ..         | 0                                     | 0  | ..          |
| Capital Reserves held for the Strategic Capital Investment Fund | 49,509                              | 0  | 0.0        | 49,509                                 | -47,409   | -95.8      | 2,100                                 | -47,409  | -95.8       |
| Assembly Commission   | 709                                 | 1,950  | 275.0      | 2,659                                  | 1,161   | 43.7       | 3,820                                 | 3,111  | 438.8       |
| Auditor General for Wales                                       | 0                                   | 0  | ..         | 0                                      | 0   | ..         | 0                                     | 0  | ..          |
| Public Services   | 20                                  | 0  | 0.0        | 20                                     | 0   | 0.0        | 20                                    | 0  | 0.0         |
| Ombudsman for Wales   | 0                                   | 0  | ..         | 0                                      | 0   | ..         | 0                                     | 0  | ..          |
| Direct Charges  | 0                                   | 0  | ..         | 0                                      | 0   | ..         | 0                                     | 0  | ..          |
| <b>Total within Wales DEL</b>                                   | <b>1,678,005</b>                    | <b>145,070</b>   | <b>8.6</b> | <b>1,823,075</b>                       | <b>124,798</b>  | <b>6.8</b> | <b>1,947,873</b>                      | <b>269,868</b>   | <b>16.1</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

**Figure 2: Percentage of £569 million additional DEL<sup>1</sup> allocated to each portfolio**



**Source:** Members' Research Service Calculations from [Welsh Government Budgets](#).

<sup>1</sup> Figures shown are net changes in DEL resource allocated to each portfolio between supplementary budget July 2009 and supplementary budget February 2010.

## 2. Baseline adjustments, end year flexibility, reserves and UK transfers

### 2.1. Baseline adjustments

The EN accompanying the supplementary budget<sup>11</sup> states that:

- **the revenue (near cash)<sup>12</sup> baseline increases by £110 million** – this is the result of drawdown of £138 million near cash EYF (see section 2.2) and a transfer of £28 million from revenue to capital;
- **the revenue (non cash)<sup>13</sup> baseline increases by £228 million** – this is the result of drawdown of £87 million non cash EYF (see section 2.2) and an increase to the non cash baseline of £140 million to reflect technical changes in the NHS; and
- **the capital baseline increases by £125 million** – this is the result of drawdown of £96 million capital EYF (see section 2.2) and the transfer of £28 million revenue to capital.

Thus, representing a total baseline adjustment of £463 million. Together with the £106.5 million drawn from reserves (see below), this makes up the **additional £569 million DEL** allocated in the supplementary budget.

### 2.2. End year flexibility (EYF)

The supplementary budget states that there has been a total of £321 million end year flexibility (EYF)<sup>14</sup> drawn down from Treasury.<sup>15</sup> This total is said to comprise of £138 million near cash; £87 million non cash and £96 million capital EYF.

The HM Treasury [Public Expenditure outturn White Paper 2008-09](#) provides details of the Welsh Government's cumulative EYF stocks, which are shown in table 6. These figures incorporate stocks remaining from previous years and provisional figures for 2008-09.

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<sup>11</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) page 4-5 [accessed 5 March 2010]

<sup>12</sup> **Near cash** - "nearly cash" 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 supply is incurred as the fuel is used, though the cash payment might be made in arrears on a quarterly basis. Excludes non cash costs.

<sup>13</sup> **Non cash** - costs where there is no actual cash transaction but which are included in accounts to establish the true cost of an activity. (e.g. depreciation of a road). These items will either never require a cash payment as such, (e.g. cost of capital charges), or will result in a cash payment in later years (e.g. provisions).

<sup>14</sup> **End year flexibility (EYF)** - mechanism to carry over unspent provision in the DEL assigned budget in one year to later years. This ensures that any underspend remains available rather than being returned to the Treasury. Carry over and subsequent draw down of EYF is subject to HM Treasury approval.

<sup>15</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) page 5 [accessed 5 March 2010]

**Table 6: EYF stocks**

|   | <i>£000s</i>   |
|---|----------------|
| <b>Carry forward of DEL EYF<br/>from 2008-09 to 2009-10</b> |                |
| Revenue   | 739,908        |
| <i>of which near cash</i>                                   | 269,422        |
| <i>of which non cash</i>                                    | 470,486        |
| Capital   | 230,486        |
| <b>Total</b>  | <b>970,394</b> |

Source: HM Treasury, [Public Expenditure outturn White Paper 2008-09](#)

The Minister for Business and Budget (Jane Hutt) informed the Finance Committee, during its scrutiny of the supplementary budget, that following the UK Government's spring supplementary, EYF stocks remaining totalled £639 million (£131 million near cash, £383 million non cash and £124 million capital). However, she also stated that this remained to be confirmed with Treasury, and would not be finalised until later in the year.<sup>16</sup>

### 2.3. Reserves

Of the additional £569 million allocated in this supplementary budget, **£106.5 million has been drawn from existing reserves** (£59.04 million revenue and £47.41 million capital). This leaves an unallocated reserve of £23.7 million (£21.6 million revenue and £2.1 million capital).

### 2.4. Transfers with UK Government departments

The EN accompanying the supplementary budget states that there have been budget transfers with UK Government departments, resulting in a net reduction of £1 million to the overall DEL budget.<sup>17</sup> However, during her appearance before the Finance Committee, the Minister for Business and Budget (Jane Hutt) clarified that this is a mistake and should actually read that transfers with UK departments has resulted in a net increase of £1 million.<sup>18</sup>

The section of the EN dealing with CELLS details a transfer of £0.4 million from the Department of Work and Pensions, and the Health and Social Services portfolio notes an additional £0.6 million received from UK departments.<sup>19</sup>

<sup>16</sup> Finance Committee RoP [3 March 2010](#) [accessed 5 March 2010]

<sup>17</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) page 5 [accessed 5 March 2010]

<sup>18</sup> Finance Committee RoP [3 March 2010](#) [accessed 5 March 2010]

<sup>19</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) [accessed 5 March 2010]

### 3. Strategic Capital Investment Fund (SCIF)

The note accompanying the supplementary budget states that **£63.3 million** of further SCIF funding has been allocated to projects for the financial year 2009-10.<sup>20</sup> Table 7 shows details of planned allocations from SCIF as communicated to the Finance Committee in a letter from the Minister for Finance and Public Service Delivery (Andrew Davies) in November 2009.<sup>21</sup> From this table it can be seen that indicative allocations to SCIF projects for the financial year 2009-10 were expected to be **£106.7 million**.

The allocations detailed in the current supplementary budget are as follows:

- **Health and Social Services** - £2.6 million allocated to the All Wales Primary Care programme. This has gone into the Trust and LHB Capital BEL. Note that the £2 million allocation for hazard area response teams indicated in table 7 for 2009-10 is not mentioned in the supplementary budget.<sup>22</sup>
- **Economy and Transport** - a total of £17.3 million allocated to regeneration and transport projects. Stated to include the low carbon region in the Heads of the Valleys, dualling of the A465, and to fund enhancements to rail infrastructure between north and south Wales and east and west Wales. Allocations to the individual projects are not detailed, however the total agrees with that shown in table 7, therefore it is reasonable to expect that the individual allocations will also match those shown. Of the £17.3 million, £4 million has gone into the Regeneration Support Capital BEL; £4.3 million has gone into the New Construction and improvement Programme BEL; and £9 million has gone into the Rail and Air Investment BEL.
- **Children, Education, Lifelong Learning and Skills** – a total of £11.9 million allocated to the Strategic Investment BEL. This is stated to support the 21<sup>st</sup> Century schools programme as detailed in table 7.
- **Environment, Sustainability and Housing** – total of £29.5 million allocated. £9 million for the All Wales low carbon building programme allocated to the Home Energy Efficiency Scheme Investment BEL; £16 million for affordable homes allocated to the Social Housing Grant Investment BEL; £1.5 million for anaerobic digestion plants allocated to the Waste Capital BEL; and £3 million for flood and coastal defence allocated to the Flood Risk Management and Water Capital BEL.
- **Heritage** – total of £1.5 million allocated. £0.5 million allocated to the All Wales cultural heritage initiative allocated to the CADW capital expenditure

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<sup>20</sup> Welsh Government, [Supplementary Budget 2009-10 Explanatory Note](#) (February 2010) page 6 [accessed 5 March 2010]

<sup>21</sup> Letter to Finance Committee from Minister for Finance and Public Service Delivery, [Finance Committee Scrutiny of Draft Budget 2010-11](#), 4 November 2009. [accessed 5 March 2010]

<sup>22</sup> The £40 million allocation to the All Wales Pandemic Flu Preparedness Project detailed in table 7 for 2009-10 was allocated in the [Draft Budget 2009-10 Report](#) (October 2008) page 15

BEL; and £1 million to the National Library of Wales digitisation project allocated to the National Library of Wales capital BEL.

- **Social Government and Local Justice** - no allocations have been made to the Shared Services project, which was scheduled to receive £0.9 million in 2009-10.
- **Central Services and Administration** - £0.5 million to the GIS project, allocated to the Capital BEL.

**Table 7: Indicative allocations for tranche 1 SCIF projects**

| Project   | Total Allocation | 2008-09     | 2009-10      | 2010-11      |
|---|------------------|-------------|--------------|--------------|
| <b>TRANCHE 1 (December 2008)</b>                            |                  |             |              |              |
| <b>Children, Education, Lifelong Learning &amp; Skills</b>  | <b>29.0</b>      | <b>9.1</b>  | <b>11.9</b>  | <b>8</b>     |
| 21st Century Schools Capital Programme: <sup>1</sup>        | 5.0              |             | 2.9          | 2            |
| Wrexham   | 5.0              |             | 4.75         | 0            |
| Newport   | 15.0             |             | 1.5          | 5            |
| Blaenavon   | 4.0              |             | 2.75         | 1            |
| <b>Economy &amp; Transport</b>                              | <b>68.0</b>      | <b>5.3</b>  | <b>17.3</b>  | <b>45.6</b>  |
| Dualling A465 Tredgar to Brynmawr                           | 9.0              | 0.3         | 4.3          | 4.6          |
| Improve north-south rail services                           | 27.0             | 1           | 4.5          | 22           |
| Rail improvement Gowerton to Loughor                        | 20.0             |             | 4.5          | 15           |
| Heads of the Valleys low carbon region                      | 12.0             | 4           | 4            | 4            |
| <b>Environment, Sustainability &amp; Housing</b>            | <b>80.0</b>      | <b>17</b>   | <b>30</b>    | <b>33</b>    |
| All Wales low carbon building project                       | 26.0             | 2           | 9            | 15           |
| Delivery of anaerobic digestion plants                      | 4.0              |             | 2            | 2            |
| Delivery of 400+ affordable homes                           | 42.0             | 15          | 16           | 11           |
| Flood/coastal defences                                      | 8.0              |             | 3            | 5            |
| <b>Health &amp; Social Services</b>                         | <b>156.0</b>     | <b>18.1</b> | <b>44.6</b>  | <b>93.7</b>  |
| Health Vision Swansea                                       | 70.0             | 6.8         | 0            | 63.2         |
| All Wales Primary Care Programme                            | 16.0             |             | 2.6          | 13.8         |
| Merthyr Tydfil Health and Wellbeing Centre                  | 8.0              |             | 0            | 8            |
| All Wales pandemic flu preparedness project                 | 59.0             | 11.3        | 40           | 7.7          |
| Hazard area response teams                                  | 3.0              |             | 2            | 1            |
| <b>Heritage</b>   | <b>4.0</b>       | <b>0.2</b>  | <b>1.5</b>   | <b>2.3</b>   |
| All Wales cultural heritage initiative                      | 2.0              | 0.2         | 0.5          | 1.3          |
| National Library of Wales digitisation project <sup>2</sup> | 2.0              |             | 1            | 1            |
| <b>Social Justice and Local Government</b>                  | <b>10.0</b>      |             | <b>0.9</b>   | <b>9.5</b>   |
| South East Wales Shared Services                            | 10.0             |             | 0.9          | 9.5          |
| <b>Central Services and Administration</b>                  | <b>1.0</b>       |             | <b>0.5</b>   | <b>0.5</b>   |
| Welsh Government GIS <sup>2</sup>                           | 1.0              |             | 0.5          | 0.5          |
| <b>Total Tranche 1</b>                                      | <b>348.0</b>     | <b>49.7</b> | <b>106.7</b> | <b>192.6</b> |

Source: Welsh Government

#### 4. Health and Social Services (HSS)

As compared with the Supplementary Budget 2009-10 in July 2009:

- HSS DEL has seen an overall increase of 5.8 per cent (£351.6 million).
- This consists of a revenue increase of 6.2 per cent (£348.9 million) and a capital increase of 0.7 per cent (£2.7 million).
- In AME there has been an increase of £112.7million in NHS Impairments (more than tripling the original total of £40.2 million in the July supplementary budget). This is stated to be in line with revised forecasts of property impairments resulting from the revaluation of the NHS estate in 2009-10.
- The Prevention (Revenue) SPA shows the largest percentage increase: 19.6 per cent, (representing £13.6 million).
- In actual terms the largest increase has been in the NHS Allocations (Revenue) SPA. Which has seen an increase of £357.1 million (representing 7.1 per cent).
- The Other Healthcare (Revenue) SPA shows the greatest percentage reduction; 84.7 per cent (representing £4.5 million).
- In actual terms the greatest reduction is seen in the Chronic Diseases (Revenue) SPA, which is decreased by £10 million (representing 59 per cent).
- It is interesting to note that the Mental Health, Chronic Diseases and Other Healthcare SPAs have all undergone large reductions in revenue DEL, 38.5 per cent, 59 per cent and 84.7 per cent, respectively.

HSS has received by far the largest share of the additional DEL allocated in the supplementary budget. Of the total £569 million additional DEL allocated in this budget £351.6 million (**61.8 per cent**) has gone into the HSS portfolio.<sup>23</sup>

- An allocation of £87 million from revenue reserves; £60 million for non recurrent pressures on NHS organisations; and £27 million in respect of the cost of swine flu.
- The non cash revenue budget has increased by £260.4 million reflecting movement in provisions, NHS capital charges and other technical changes.
- As a result of transfers between other MEGs, HSS has seen a net increase of £0.96 million.
- An additional £0.6 million has been received from UK Government departments.

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<sup>23</sup> Note that figures may not add to total due to rounding.

- £2.6 million has been allocated from SCIF to the All Wales Primary Care programme (to the Trust and LHB Capital BEL, (see section 3).
- £0.9 million capital has been allocated to the Children and Youth Justice Services SPA.



Table 8: HSS summary of changes

| HSS Summary                  | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Revenue DEL                  | 5,620,422                           | 31,204   | 0.6        | 5,651,626                              | 348,917   | 6.2        | 6,000,543                             | 380,121  | 6.8        |
| Capital DEL                  | 374,614                             | 37,800   | 10.1       | 412,414                                | 2,693   | 0.7        | 415,107                               | 40,493   | 10.8       |
| <b>Total DEL</b>             | <b>5,995,036</b>                    | <b>69,004</b>  | <b>1.2</b> | <b>6,064,040</b>                       | <b>351,610</b>  | <b>5.8</b> | <b>6,415,650</b>                      | <b>420,614</b>   | <b>7.0</b> |
| Annually Managed Expenditure | 0                                   | 40,222   | ..         | 40,222                                 | 112,651   | 280.1      | 152,873                               | 152,873  | ..         |
| <b>TOTAL HSS</b>             | <b>5,995,036</b>                    | <b>109,226</b>   | <b>1.8</b> | <b>6,104,262</b>                       | <b>464,261</b>  | <b>7.6</b> | <b>6,568,523</b>                      | <b>573,487</b>   | <b>9.6</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

**Table 9: HSS changes to spending programme area (SPA) allocations**

| Main Expenditure Group (MEG)        | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |             | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|-------------------------------------|-------------------------------------|--|-------------|--|---|------------|---------------------------------------|--|-------------|
|                                     | £000s                               | £000s  | per cent    | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>                 |                                     |  |             |  |   |            |                                       |  |             |
| NHS Allocations                     | 5,018,304                           | 31,204   | 0.6         | 5,049,508                              | 357,092   | 7.1        | 5,406,600                             | 388,296  | 7.7         |
| Workforce Development               | 299,495                             | 0  | 0.0         | 299,495                                | 3,455   | 1.2        | 302,950                               | 3,455  | 1.2         |
| Information                         | 29,576                              | 0  | 0.0         | 29,576                                 | -1,095  | -3.7       | 28,481                                | -1,095   | -3.7        |
| Quality and Patient Safety          | 39,666                              | 0  | 0.0         | 39,666                                 | -1,900  | -4.8       | 37,766                                | -1,900   | -4.8        |
| Primary Care                        | 16,556                              | 0  | 0.0         | 16,556                                 | 0   | ..         | 16,556                                | 0  | 0.0         |
| Mental Health                       | 15,781                              | 0  | 0.0         | 15,781                                 | -6,070  | -38.5      | 9,711                                 | -6,070   | -38.5       |
| Chronic Diseases                    | 16,996                              | 0  | 0.0         | 16,996                                 | -10,025   | -59.0      | 6,971                                 | -10,025  | -59.0       |
| Cancer                              | 6,563                               | 0  | 0.0         | 6,563                                  | 496   | 7.6        | 7,059                                 | 496  | 7.6         |
| Other Healthcare                    | 5,262                               | 0  | 0.0         | 5,262                                  | -4,457  | -84.7      | 805                                   | -4,457   | -84.7       |
| Better Access                       | 1,734                               | 0  | 0.0         | 1,734                                  | -78   | -4.5       | 1,656                                 | -78  | -4.5        |
| Prevention                          | 69,724                              | 0  | 0.0         | 69,724                                 | 13,641  | 19.6       | 83,365                                | 13,641   | 19.6        |
| Children and Youth Justice Services | 25,546                              | 0  | 0.0         | 25,546                                 | -491  | -1.9       | 25,055                                | -491   | -1.9        |
| Older People's Services             | 4,000                               | 0  | 0.0         | 4,000                                  | 0   | 0.0        | 4,000                                 | 0  | 0.0         |
| Other Adult Social Care             | 71,219                              | 0  | 0.0         | 71,219                                 | -1,651  | -2.3       | 69,568                                | -1,651   | -2.3        |
| <b>Total Revenue DEL</b>            | <b>5,620,422</b>                    | <b>31,204</b>  | <b>0.6</b>  | <b>5,651,626</b>                       | <b>348,917</b>  | <b>6.2</b> | <b>6,000,543</b>                      | <b>380,121</b>   | <b>6.8</b>  |
| <b>Capital DEL:</b>                 |                                     |  |             |  |   |            |                                       |  |             |
| NHS Allocations                     | 366,012                             | 37,800   | 10.3        | 403,812                                | 2,600   | 0.6        | 406,412                               | 40,400   | 11.0        |
| Other Adult Social Care             | 7,977                               | 0  | 0.0         | 7,977                                  | 0   | 0.0        | 7,977                                 | 0  | 0.0         |
| Workforce Development               | 25                                  | 0  | 0.0         | 25                                     | 0   | 0.0        | 25                                    | 0  | 0.0         |
| Children and Youth Justice Services | 600                                 | 0  | 0.0         | 600                                    | 93  | 15.5       | 693                                   | 93   | 15.5        |
| <b>Total Capital DEL</b>            | <b>374,614</b>                      | <b>37,800</b>  | <b>10.1</b> | <b>412,414</b>                         | <b>2,693</b>  | <b>0.7</b> | <b>415,107</b>                        | <b>40,493</b>  | <b>10.8</b> |
| <b>Total HSS DEL</b>                | <b>5,995,036</b>                    | <b>69,004</b>  | <b>1.2</b>  | <b>6,064,040</b>                       | <b>351,610</b>  | <b>5.8</b> | <b>6,415,650</b>                      | <b>420,614</b>   | <b>7.0</b>  |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 5. Social Justice and Local Government (SJLG)

As compared with the Supplementary Budget 2009-10 in July 2009:

- SJLG DEL has seen an overall increase of 0.02 per cent (£1.2 million).
- This consists of a revenue decrease of £0.26 million and a capital increase of 2 per cent (£1.5 million).
- In AME there has been an increase of £3.3 million (25.1 per cent) for Fire Service Pensions. This is stated to be in line with revised forecasts.
- The Safer Communities (Capital) SPA shows the largest percentage increase: 26.6 per cent, (representing £3.9 million). This is also the largest increase in cash terms.
- The Strengthening and Regenerating Communities (Capital) SPA shows the greatest percentage reduction; 10 per cent (representing £2.4 million).
- In actual terms the greatest reduction is seen in the Strengthening and Regenerating Communities (Revenue) SPA, which is decreased by £2.44 million (representing 3.7 per cent).

Of the total £569 million additional DEL allocated in this budget £1.2 million (**0.2 per cent**) has gone into the SJLG portfolio.<sup>24</sup>

- In revenue DEL there has been an allocation of £2.5 million to reserves as a result of an underspend. However, in capital DEL there has been an allocation of £2.5 million from reserves to fund a number of projects linked to substance misuse.
- Transfers between other MEGs have resulted in a net gain of £0.24 million (£1.24 million revenue transferred in and £1 million capital transferred out).
- There has been an allocation of £1 million from non cash reserves to cover depreciation and cost of capital in relation to New Dimension.

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<sup>24</sup> Note that figures may not add to total due to rounding.

Table 10: SJLG summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Revenue DEL                  | 4,327,063                           | 0  | 0.0        | 4,327,063                              | -257  | 0.0        | 4,326,806                             | -257   | 0.0        |
| Capital DEL                  | 76,431                              | 0  | 0.0        | 76,431                                 | 1,500   | 2.0        | 77,931                                | 1,500  | 2.0        |
| <b>Total DEL</b>             | <b>4,403,494</b>                    | <b>0</b>   | <b>0.0</b> | <b>4,403,494</b>                       | <b>1,243</b>  | <b>0.0</b> | <b>4,404,737</b>                      | <b>1,243</b>   | <b>0.0</b> |
| Annually Managed Expenditure | 13,025                              | 0  | 0.0        | 13,025                                 | 3,275   | 25.1       | 16,300                                | 3,275  | 25.1       |
| <b>TOTAL SJLG</b>            | <b>4,416,519</b>                    | <b>0</b>   | <b>0.0</b> | <b>4,416,519</b>                       | <b>4,518</b>  | <b>0.1</b> | <b>4,421,037</b>                      | <b>4,518</b>   | <b>0.1</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

Table 11: SJLG changes to spending programme area (SPA) allocations

| Main Expenditure Group (MEG)                         | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|--|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|  | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| <b>Revenue DEL:</b>                                  |                                     |  |            |  |   |            |                                       |  |            |
| Local Authority Support                              | 4,192,759                           | 0  | 0.0        | 4,192,759                              | 0   | 0.0        | 4,192,759                             | 0  | 0.0        |
| Valuation Office and Other Local Government Services | 24,097                              | 0  | 0.0        | 24,097                                 | -500  | -2.1       | 23,597                                | -500   | -2.1       |
| Strengthening and Regenerating Communities           | 65,859                              | 0  | 0.0        | 65,859                                 | -2,442  | -3.7       | 63,417                                | -2,442   | -3.7       |
| Safer Communities                                    | 44,348                              | 0  | 0.0        | 44,348                                 | 2,685   | 6.1        | 47,033                                | 2,685  | 6.1        |
| <b>Total Revenue DEL</b>                             | <b>4,327,063</b>                    | <b>0</b>   | <b>0.0</b> | <b>4,327,063</b>                       | <b>-257</b>   | <b>0.0</b> | <b>4,326,806</b>                      | <b>-257</b>  | <b>0.0</b> |
| <b>Capital DEL:</b>                                  |                                     |  |            |  |   |            |                                       |  |            |
| Local Authority Support                              | 37,843                              | 0  | 0.0        | 37,843                                 | 0   | 0.0        | 37,843                                | 0  | 0.0        |
| Strengthening and Regenerating Communities           | 23,948                              | 0  | 0.0        | 23,948                                 | -2,400  | -10.0      | 21,548                                | -2,400   | -10.0      |
| Safer Communities                                    | 14,640                              | 0  | 0.0        | 14,640                                 | 3,900   | 26.6       | 18,540                                | 3,900  | 26.6       |
| <b>Total Capital DEL</b>                             | <b>76,431</b>                       | <b>0</b>   | <b>0.0</b> | <b>76,431</b>                          | <b>1,500</b>  | <b>2.0</b> | <b>77,931</b>                         | <b>1,500</b>   | <b>2.0</b> |
| <b>Total SLJG DEL</b>                                | <b>4,403,494</b>                    | <b>0</b>   | <b>0.0</b> | <b>4,403,494</b>                       | <b>1,243</b>  | <b>0.0</b> | <b>4,404,737</b>                      | <b>1,243</b>   | <b>0.0</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 6. Economy and Transport (E&T)

As compared with the Supplementary Budget 2009-10 in July 2009:

- E&T DEL has seen an overall increase of 5.8 per cent (£98.4 million).
- This consists of a revenue decrease of £25.3 million (3.5 per cent) and a capital increase of 25.2 per cent (£123.7 million).
- In AME there have been no changes.
- The Flexible Support for Business (Capital) SPA shows the largest increase of £86.5 million. This is also the largest percentage increase, more than doubling the previous allocation.
- The Roads Depreciation and Impairments (Revenue) SPA shows the greatest reduction of £54.7 million. This is also the largest percentage reduction of 21.9 per cent.
- Also of note is a reduction of £3 million revenue DEL in the Improving the Trunk Road Network SPA, resulting in a negative balance of -£2.6 million.

Of the total £569 million additional DEL allocated in this budget £98.4 million (**17.3 per cent**) has gone into the E&T portfolio.<sup>25</sup>

- There have been revenue allocations from reserves of £14 million for EU disallowances and other EU programme pressures; £2 million for bad debts associated with supporting companies; and £1.5 million for innovation and technology projects.
- There have been transfers between MEGs: £42.8 million of revenue DEL transferred out to other MEGS (£40 million of which is non cash); and £9.4 million capital DEL transferred in from the CSA MEG to the Regeneration Investment Fund.
- £17.3 million capital has been allocated from the SCIF, of which £4 million has gone into the Regeneration Support Capital BEL; £4.3 million has gone into the New Construction and Improvement Programme BEL; and £9 million has gone into the Rail and Air Investment BEL (see section 3).
- There has been a capital allocation from reserves of £97 million in support of the borrowing of Finance Wales. This refers to the need for borrowing from the European Investment Bank to now be reflected as part of the budget. Further information regarding this can be found in [Annex A](#).

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<sup>25</sup> Note that figures may not add to total due to rounding.

**Table 12: E&T summary of changes**

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|-------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| Revenue DEL                  | 718,106                             | 0  | ..         | 718,106                                | -25,321   | -3.5       | 692,785                               | -25,321  | -3.5        |
| Capital DEL                  | 467,405                             | 24,200   | 5.2        | 491,605                                | 123,673   | 25.2       | 615,278                               | 147,873  | 31.6        |
| <b>Total DEL</b>             | <b>1,185,511</b>                    | <b>24,200</b>  | <b>2.0</b> | <b>1,209,711</b>                       | <b>98,352</b>   | <b>8.1</b> | <b>1,308,063</b>                      | <b>122,552</b>   | <b>10.3</b> |
| Annually Managed Expenditure | 430,795                             | 60,607   | 14.1       | 491,402                                | 0   | ..         | 491,402                               | 60,607   | 14.1        |
| <b>TOTAL E&amp;T</b>         | <b>1,616,306</b>                    | <b>84,807</b>  | <b>5.2</b> | <b>1,701,113</b>                       | <b>98,352</b>   | <b>5.8</b> | <b>1,799,465</b>                      | <b>183,159</b>   | <b>11.3</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

**Table 13: E&T changes to spending programme area (SPA) allocations**

| Main Expenditure Group (MEG)                          | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|---|-------------------------------------|--|------------|--|---|-------------|---------------------------------------|--|-------------|
|   | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>                                   |                                     |  |            |  |   |             |                                       |  |             |
| ICT Infrastructure Operations                         | 2,365                               | 0  | 0.0        | 2,365                                  | 1,672   | 70.7        | 4,037                                 | 1,672  | 70.7        |
| Property Related Infrastructure                       | 41,499                              | 0  | 0.0        | 41,499                                 | 19,830  | 47.8        | 61,329                                | 19,830   | 47.8        |
| Strategic Regeneration                                | 12,697                              | 0  | 0.0        | 12,697                                 | 416   | 3.3         | 13,113                                | 416  | 3.3         |
| Flexible Support for Business                         | 60,185                              | 0  | 0.0        | 60,185                                 | -5,459  | -9.1        | 54,726                                | -5,459   | -9.1        |
| Marketing & Major Events Policy, Strategy             | 8,390                               | 0  | 0.0        | 8,390                                  | 1,500   | 17.9        | 9,890                                 | 1,500  | 17.9        |
| Development & Corporate Services                      | 15,837                              | 0  | 0.0        | 15,837                                 | -1,987  | -12.5       | 13,850                                | -1,987   | -12.5       |
| European Funding                                      | 1,283                               | 0  | 0.0        | 1,283                                  | 14,045  | ..          | 15,328                                | 14,045   | ..          |
| Maintaining the Trunk Road Network                    | 52,606                              | 0  | 0.0        | 52,606                                 | 5,601   | 10.6        | 58,207                                | 5,601  | 10.6        |
| Roads Depreciation and Impairments                    | 250,168                             | 0  | 0.0        | 250,168                                | -54,672   | -21.9       | 195,496                               | -54,672  | -21.9       |
| Improving the Trunk Road Network                      | 601                                 | 0  | 0.0        | 601                                    | -3,250  | ..          | -2,649                                | -3,250   | ..          |
| Improving Rail and Air Services                       | 171,811                             | 0  | 0.0        | 171,811                                | -12,756   | -7.4        | 159,055                               | -12,756  | -7.4        |
| Improving Integration and Delivery of Local Transport | 93,608                              | 0  | 0.0        | 93,608                                 | 9,739   | 10.4        | 103,347                               | 9,739  | 10.4        |
| Improving Road Safety                                 | 7,056                               | 0  | 0.0        | 7,056                                  | 0   | 0.0         | 7,056                                 | 0  | 0.0         |
| <b>Total Revenue DEL</b>                              | <b>718,106</b>                      | <b>0</b>   | <b>0.0</b> | <b>718,106</b>                         | <b>-25,321</b>  | <b>-3.5</b> | <b>692,785</b>                        | <b>-25,321</b>   | <b>-3.5</b> |
| <b>Capital DEL:</b>                                   |                                     |  |            |  |   |             |                                       |  |             |
| ICT Infrastructure Operations                         | 3,191                               | 0  | 0.0        | 3,191                                  | 400   | 12.5        | 3,591                                 | 400  | 12.5        |
| Property Related Infrastructure                       | 22,026                              | 6,700  | 30.4       | 28,726                                 | 21,473  | 74.8        | 50,199                                | 28,173   | ..          |
| Strategic Regeneration                                | 53,272                              | 2,000  | 3.8        | 55,272                                 | 1,600   | 2.9         | 56,872                                | 3,600  | 6.8         |
| Flexible Support for Business                         | 85,284                              | 0  | 0.0        | 85,284                                 | 86,500  | 101.4       | 171,784                               | 86,500   | 101.4       |
| Marketing & Major Events Policy, Strategy             | 400                                 | 0  | 0.0        | 400                                    | 400   | 100.0       | 800                                   | 400  | 100.0       |
| Development & Corporate Services                      | 540                                 | 0  | 0.0        | 540                                    | 0   | 0.0         | 540                                   | 0  | 0.0         |
| Maintaining the Trunk Road Network                    | 32,273                              | 4,500  | 13.9       | 36,773                                 | 1,000   | 2.7         | 37,773                                | 5,500  | 17.0        |
| Improving the Trunk Road Network                      | 90,265                              | 3,500  | 3.9        | 93,765                                 | 10,632  | 11.3        | 104,397                               | 14,132   | 15.7        |
| Improving Rail and Air Services                       | 28,480                              | 5,000  | 17.6       | 33,480                                 | 4,209   | 12.6        | 37,689                                | 9,209  | 32.3        |
| Improving Local Roads                                 | 100,515                             | 2,500  | 2.5        | 103,015                                | 0   | 0.0         | 103,015                               | 2,500  | 2.5         |
| Improve Integration and Delivery of Local Transport   | 21,599                              | 0  | 0.0        | 21,599                                 | 0   | 0.0         | 21,599                                | 0  | 0.0         |
| Improving Road Safety                                 | 17,252                              | 0  | 0.0        | 17,252                                 | -2,541  | -14.7       | 14,711                                | -2,541   | -14.7       |
| Improving the Quality of the Local Environment        | 1,005                               | 0  | 0.0        | 1,005                                  | 0   | 0.0         | 1,005                                 | 0  | 0.0         |
| Supporting Walking and Cycling                        | 11,303                              | 0  | 0.0        | 11,303                                 | 0   | 0.0         | 11,303                                | 0  | 0.0         |
| <b>Total Capital DEL</b>                              | <b>467,405</b>                      | <b>24,200</b>  | <b>5.2</b> | <b>491,605</b>                         | <b>123,673</b>  | <b>25.2</b> | <b>615,278</b>                        | <b>147,873</b>   | <b>31.6</b> |
| <b>Total E&amp;T DEL</b>                              | <b>1,185,511</b>                    | <b>24,200</b>  | <b>2.0</b> | <b>1,209,711</b>                       | <b>98,352</b>   | <b>8.1</b>  | <b>1,308,063</b>                      | <b>122,552</b>   | <b>10.3</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).



## 7. Children, Education, Lifelong Learning and Skills (CELLS)

As compared with the Supplementary Budget 2009-10 in July 2009:

- CELLS DEL has seen an overall increase of 2 per cent (£39.4 million).
- This consists of a revenue increase of £27.5 million (1.6 per cent) and a capital increase of £11.9 million (4.5 per cent).
- There has been an increase in capital AME of £29.4 million (18 per cent). This is stated to reflect revised student loan forecasts.
- The Access and Achievement for All (Revenue) SPA shows the largest increase of £17.9 million. This is also the largest percentage increase, representing 5.8 per cent.
- The Learner Attainment (Revenue) SPA shows the greatest reduction of £2.7 million. This is also the largest percentage reduction of 1.7 per cent.

Of the total £569 million additional DEL allocated in this budget £39.4 million (**6.9 per cent**) has gone into the CELLS portfolio.<sup>26</sup>

- There have been revenue allocations from reserves of £26.5 million: £7.8 million for the Open University (via HEFCW); £14.4 million for student finance and £4.3 million for REACT.
- There have been transfers between MEGs: £0.64 million of revenue DEL transferred out to other MEGs; and £1.3 million revenue DEL transferred in from other MEGs.
- There has been an additional £0.4 million revenue DEL as a result of a receipt from the Department of Work and Pensions. This has been allocated from reserves in support of the School Gates Employment Support project.
- £11.9 million capital has been allocated from the SCIF for the Newport, Wrexham and Torfaen school projects and in support of the 21<sup>st</sup> Century Schools programme set up costs. The whole amount has gone into the Strategic Investment (Capital) BEL, (see section 3).

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<sup>26</sup> Note that figures may not add to total due to rounding.

Table 14: CELLS summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Revenue DEL                  | 1,648,326                           | 29,490   | 1.8        | 1,677,816                              | 27,504  | 1.6        | 1,705,320                             | 56,994   | 3.5        |
| Capital DEL                  | 227,641                             | 37,200   | 16.3       | 264,841                                | 11,900  | 4.5        | 276,741                               | 49,100   | 21.6       |
| <b>Total DEL</b>             | <b>1,875,967</b>                    | <b>66,690</b>  | <b>3.6</b> | <b>1,942,657</b>                       | <b>39,404</b>   | <b>2.0</b> | <b>1,982,061</b>                      | <b>106,094</b>   | <b>5.7</b> |
| Annually Managed Expenditure | 163,660                             | 0  | 0.0        | 163,660                                | 29,402  | 18.0       | 193,062                               | 29,402   | 18.0       |
| <b>TOTAL CELLS</b>           | <b>2,039,627</b>                    | <b>66,690</b>  | <b>3.3</b> | <b>2,106,317</b>                       | <b>68,806</b>   | <b>3.3</b> | <b>2,175,123</b>                      | <b>135,496</b>   | <b>6.6</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

Table 15: CELLS changes to spending programme area (SPA) allocations

| Main Expenditure Group (MEG)           | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |             | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|--|-------------------------------------|--|-------------|--|---|------------|---------------------------------------|--|-------------|
|  | £000s                               | £000s  | per cent    | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>                    |                                     |  |             |  |   |            |                                       |  |             |
| Successful Foundations & Opportunities | 144,095                             | 0  | 0.0         | 144,095                                | -457  | -0.3       | 143,638                               | -457   | -0.3        |
| Learner Attainment                     | 158,356                             | 0  | 0.0         | 158,356                                | -2,718  | -1.7       | 155,638                               | -2,718   | -1.7        |
| Skills for a Prosperous Wales          | 986,711                             | 29,490   | 3.0         | 1,016,201                              | 13,264  | 1.3        | 1,029,465                             | 42,754   | 4.3         |
| Access & Achievement for All           | 306,115                             | 0  | 0.0         | 306,115                                | 17,888  | 5.8        | 324,003                               | 17,888   | 5.8         |
| Infrastructure & Reconfiguration       | 53,049                              | 0  | 0.0         | 53,049                                 | -473  | -0.9       | 52,576                                | -473   | -0.9        |
| <b>Total Revenue DEL</b>               | <b>1,648,326</b>                    | <b>29,490</b>  | <b>1.8</b>  | <b>1,677,816</b>                       | <b>27,504</b>   | <b>1.6</b> | <b>1,705,320</b>                      | <b>56,994</b>  | <b>3.5</b>  |
| <b>Capital DEL:</b>                    |                                     |  |             |  |   |            |                                       |  |             |
| Infrastructure & Reconfiguration       | 227,641                             | 37,200   | 16.3        | 264,841                                | 11,900  | 4.5        | 276,741                               | 49,100   | 21.6        |
| <b>Total Capital DEL</b>               | <b>227,641</b>                      | <b>37,200</b>  | <b>16.3</b> | <b>264,841</b>                         | <b>11,900</b>   | <b>4.5</b> | <b>276,741</b>                        | <b>49,100</b>  | <b>21.6</b> |
| <b>Total CELLS DEL</b>                 | <b>1,875,967</b>                    | <b>66,690</b>  | <b>3.6</b>  | <b>1,942,657</b>                       | <b>39,404</b>   | <b>2.0</b> | <b>1,982,061</b>                      | <b>106,094</b>   | <b>5.7</b>  |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 8. Environment, Sustainability and Housing (ESH)

As compared with the Supplementary Budget 2009-10 in July 2009:

- ESH DEL has seen an overall increase of 4.2 per cent (£33.4 million).
- This consists of a revenue reduction of £2.1 million (0.6 per cent) and a capital increase of £35.5 million (7.9 per cent).
- There has been a reduction in AME of £13.1 million (18 per cent). This is stated to reflect revised forecasts for the Housing Revenue Account Subsidy.
- The Flood and Water (Capital) SPA shows the largest percentage increase of 15 per cent, representing £3.2 million.
- In actual terms the largest increase is in the Housing New Provision (Capital) SPA, £20.4 million; representing 14.7 per cent.
- The Planning (Revenue) SPA shows the greatest reduction of £6.1 million. This is also the largest percentage reduction of 33 per cent.

Of the total £569 million additional DEL allocated in this budget £33.4 million (**5.9 per cent**) has gone into the ESH portfolio.<sup>27</sup>

- There has been an allocation of £1.95 million to reserves from revenue DEL as a result of underspends. There has been an allocation from reserves of £1.95 million to capital DEL for social housing.
- There have been transfers between MEGs: £0.34 million revenue DEL transferred in from other MEGs in support of Supporting People and Homelessness; £0.5 million revenue DEL transferred out to other MEGs; £4 million capital DEL transferred in from other MEGs in support of social housing grant, Carbon Trust and energy efficiency.
- £29.5 million capital has been allocated from the SCIF: £9 million for the All Wales Low Carbon Building Programme (to the Home Energy Efficiency Scheme Investment BEL); £16 million for affordable homes (to the Social Housing Grants Investment BEL); £1.5 million for anaerobic digestion plants (to the Waste Capital BEL); and £3 million for flood and coastal defences (to the Flood Risk Management and Water Capital BEL),(see section 3).

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<sup>27</sup> Note that figures may not add to total due to rounding.

Table 16: ESH summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|-------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| Revenue DEL                  | 350,233                             | 0  | 0.0        | 350,233                                | -2,083  | -0.6       | 348,150                               | -2,083   | -0.6        |
| Capital DEL                  | 407,365                             | 42,920   | 10.5       | 450,285                                | 35,453  | 7.9        | 485,738                               | 78,373   | 19.2        |
| <b>Total DEL</b>             | <b>757,598</b>                      | <b>42,920</b>  | <b>5.7</b> | <b>800,518</b>                         | <b>33,370</b>   | <b>4.2</b> | <b>833,888</b>                        | <b>76,290</b>  | <b>10.1</b> |
| Annually Managed Expenditure | -75,000                             | 3,000  | -4.0       | -72,000                                | -13,062   | 18.1       | -85,062                               | -10,062  | 13.4        |
| <b>TOTAL ESH</b>             | <b>682,598</b>                      | <b>45,920</b>  | <b>6.7</b> | <b>728,518</b>                         | <b>20,308</b>   | <b>2.8</b> | <b>748,826</b>                        | <b>66,228</b>  | <b>9.7</b>  |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

Table 17: ESH changes to spending programme area (SPA) allocations

| Main Expenditure Group (MEG)           | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |             | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|--|-------------------------------------|--|-------------|--|---|-------------|---------------------------------------|--|-------------|
|  | £000s                               | £000s  | per cent    | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>                    |                                     |  |             |  |   |             |                                       |  |             |
| Improving Housing                      | 10,723                              | 0  | 0.0         | 10,723                                 | -453  | -4.2        | 10,270                                | -453   | -4.2        |
| Supporting Vulnerable / At Risk People | 144,746                             | 0  | 0.0         | 144,746                                | -115  | -0.1        | 144,631                               | -115   | -0.1        |
| Waste Strategy                         | 75,400                              | 0  | 0.0         | 75,400                                 | 3,850   | 5.1         | 79,250                                | 3,850  | 5.1         |
| Flood and Water Planning               | 18,576                              | 0  | 0.0         | 18,576                                 | 0   | 0.0         | 18,576                                | 0  | 0.0         |
| Sustainable Environment                | 7,641                               | 0  | 0.0         | 7,641                                  | 0   | 0.0         | 7,641                                 | 0  | 0.0         |
| Delivery Partners                      | 18,599                              | 0  | 0.0         | 18,599                                 | -6,139  | -33.0       | 12,460                                | -6,139   | -33.0       |
|  | 74,548                              | 0  | 0.0         | 74,548                                 | 774   | 1.0         | 75,322                                | 774  | 1.0         |
| <b>Total Revenue DEL</b>               | <b>350,233</b>                      | <b>0</b>   | <b>0.0</b>  | <b>350,233</b>                         | <b>-2,083</b>   | <b>-0.6</b> | <b>348,150</b>                        | <b>-2,083</b>  | <b>-0.6</b> |
| <b>Capital DEL:</b>                    |                                     |  |             |  |   |             |                                       |  |             |
| Housing - New Provision                | 103,400                             | 35,000   | 33.8        | 138,400                                | 20,353  | 14.7        | 158,753                               | 55,353   | 53.5        |
| Improving Housing                      | 233,841                             | 2,920  | 1.2         | 236,761                                | 10,000  | 4.2         | 246,761                               | 12,920   | 5.5         |
| Supporting Vulnerable/At Risk People   | 12,000                              | 0  | 0.0         | 12,000                                 | 0   | 0.0         | 12,000                                | 0  | 0.0         |
| Waste Strategy                         | 12,200                              | 0  | 0.0         | 12,200                                 | -384  | -3.1        | 11,816                                | -384   | -3.1        |
| Flood and Water                        | 21,330                              | 0  | 0.0         | 21,330                                 | 3,200   | 15.0        | 24,530                                | 3,200  | 15.0        |
| Sustainable Environment                | 18,335                              | 5,000  | 27.3        | 23,335                                 | 2,000   | 8.6         | 25,335                                | 7,000  | 38.2        |
| Delivery Partners                      | 6,259                               | 0  | 0.0         | 6,259                                  | 284   | 4.5         | 6,543                                 | 284  | 4.5         |
| <b>Total Capital DEL</b>               | <b>407,365</b>                      | <b>42,920</b>  | <b>10.5</b> | <b>450,285</b>                         | <b>35,453</b>   | <b>7.9</b>  | <b>485,738</b>                        | <b>78,373</b>  | <b>19.2</b> |
| <b>Total ESH DEL</b>                   | <b>757,598</b>                      | <b>42,920</b>  | <b>5.7</b>  | <b>800,518</b>                         | <b>33,370</b>   | <b>4.2</b>  | <b>833,888</b>                        | <b>76,290</b>  | <b>10.1</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 9. Rural Affairs (RA)

As compared with the Supplementary Budget 2009-10 in July 2009:

- RA DEL has seen an overall increase of 1.8 per cent (£2.7 million).
- This consists of a revenue increase of £8.7 million (6.4 per cent) and a capital reduction of £6 million (34.2 per cent).
- There has been no change in AME.
- The Animal Disease Control and Welfare (Revenue) SPA shows the largest percentage increase of 39.6 per cent. This is also the largest increase in cash terms, representing £8.9 million.
- The RDP Expenditure EU & UK (Capital) SPA shows the greatest reduction of £6 million. This is also the largest percentage reduction of 37.1 per cent.

Of the total £569 million additional DEL allocated in this budget £2.7 million (**0.5 per cent**) has gone into the RA portfolio.<sup>28</sup>

- There has been an allocation of £8.9 million from reserves to revenue DEL in support of TB compensation payments, and an allocation of £2.5 million non cash from reserves for capital charges for the Forestry Commission. There has been a transfer to reserves from revenue DEL of £2.75 million for Windfarm receipts.
- There has been a transfer of £6 million from capital DEL: £3 million to ESH in respect of the Rural Development Plan and £3 million to capital reserves.

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<sup>28</sup> Note that figures may not add to total due to rounding.

Table 18: RA summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |            |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent   |
| Revenue DEL                  | 134,835                             | 0  | 0.0        | 134,835                                | 8,692   | 6.4        | 143,527                               | 8,692  | 6.4        |
| Capital DEL                  | 17,536                              | 0  | 0.0        | 17,536                                 | -6,000  | -34.2      | 11,536                                | -6,000   | -34.2      |
| <b>Total DEL</b>             | <b>152,371</b>                      | <b>0</b>   | <b>0.0</b> | <b>152,371</b>                         | <b>2,692</b>  | <b>1.8</b> | <b>155,063</b>                        | <b>2,692</b>   | <b>1.8</b> |
| Annually Managed Expenditure | 0                                   | 0  | ..         | 0                                      | 0   | ..         | 0                                     | 0  | ..         |
| <b>TOTAL RA</b>              | <b>152,371</b>                      | <b>0</b>   | <b>0.0</b> | <b>152,371</b>                         | <b>2,692</b>  | <b>1.8</b> | <b>155,063</b>                        | <b>2,692</b>   | <b>1.8</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).



**Table 19: RA changes to spending programme area (SPA) allocations**

| Main Expenditure Group (MEG)        | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |              | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |              |
|-------------------------------------|-------------------------------------|--|------------|--|---|--------------|---------------------------------------|--|--------------|
|                                     | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent     | £000s                                 | £000s  | per cent     |
| <b>Revenue DEL:</b>                 |                                     |  |            |  |   |              |                                       |  |              |
| Animal Disease Control & Welfare    | 22,483                              | 0  | 0.0        | 22,483                                 | 8,900   | 39.6         | 31,383                                | 8,900  | 39.6         |
| Single Payment Schemes              | 9,421                               | 0  | 0.0        | 9,421                                  | 0   | 0.0          | 9,421                                 | 0  | 0.0          |
| Forestry Commission Wales (FCW)     | 33,196                              | 0  | 0.0        | 33,196                                 | -208  | -0.6         | 32,988                                | -208   | -0.6         |
| RDP Expenditure - EU & UK           | 60,606                              | 0  | 0.0        | 60,606                                 | 0   | 0.0          | 60,606                                | 0  | 0.0          |
| Food, Fisheries and the Environment | 9,129                               | 0  | 0.0        | 9,129                                  | 0   | 0.0          | 9,129                                 | 0  | 0.0          |
| <b>Total Revenue DEL</b>            | <b>134,835</b>                      | <b>0</b>   | <b>0.0</b> | <b>134,835</b>                         | <b>8,692</b>  | <b>6.4</b>   | <b>143,527</b>                        | <b>8,692</b>   | <b>6.4</b>   |
| <b>Capital DEL:</b>                 |                                     |  |            |  |   |              |                                       |  |              |
| Forestry Commission Wales (FCW)     | -205                                | 0  | 0.0        | -205                                   | 0   | 0.0          | -205                                  | 0  | 0.0          |
| RDP Expenditure EU & UK             | 16,179                              | 0  | 0.0        | 16,179                                 | -6,000  | -37.1        | 10,179                                | -6,000   | -37.1        |
| Food, Fisheries and the Environment | 1,562                               | 0  | 0.0        | 1,562                                  | 0   | 0.0          | 1,562                                 | 0  | 0.0          |
| <b>Total Capital DEL</b>            | <b>17,536</b>                       | <b>0</b>   | <b>0.0</b> | <b>17,536</b>                          | <b>-6,000</b>   | <b>-34.2</b> | <b>11,536</b>                         | <b>-6,000</b>  | <b>-34.2</b> |
| <b>Total RA DEL</b>                 | <b>152,371</b>                      | <b>0</b>   | <b>0.0</b> | <b>152,371</b>                         | <b>2,692</b>  | <b>1.8</b>   | <b>155,063</b>                        | <b>2,692</b>   | <b>1.8</b>   |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 10. Heritage (HER)

As compared with the Supplementary Budget 2009-10 in July 2009:

- HER DEL has seen an overall increase of 2.8 per cent (£4.6 million).
- This consists of a revenue increase of £3.1 million (2.1 per cent) and a capital increase of £1.5 million (8.7 per cent).
- There has been an increase in AME of £7.8 million (36 per cent). This is stated to be in support of revised pension forecasts for the National Library of Wales and the National Museum of Wales.
- The Historic Wales Revenue SPA shows the largest percentage increase of 12.6 per cent (representing £0.7 million).
- The Culture Revenue SPA shows that largest cash terms increase of £1.6 million, (representing 1.8 per cent).
- There are no reductions in DEL.

Of the total £569 million additional DEL allocated in this budget £4.6 million (**0.8 per cent**) has gone into the HER portfolio.<sup>29</sup>

- There has been an allocation of £3.1 million from reserves to revenue DEL in support of: redundancy payments for Museums and Libraries (£0.9 million); CADW (£0.7 million); Arts Council (£0.3 million); tourism for marketing major events (£0.7 million); and the National Botanical Garden (£0.3 million).<sup>30</sup>
- £1.5 million capital has been allocated from the SCIF: £1 million for the National Library of Wales digitisation project (to the National Library of Wales BEL) and £0.5 million for the All Wales Cultural Heritage Initiative (to the CADW Capital Expenditure BEL), (see section 3).

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<sup>29</sup> Note that figures may not add to total due to rounding.

<sup>30</sup> The remaining balance of £0.2 million is not detailed in the budget documents.

Table 20: HER summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|-------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| Revenue DEL                  | 145,166                             | 0  | 0.0        | 145,166                                | 3,100   | 2.1        | 148,266                               | 3,100  | 2.1         |
| Capital DEL                  | 16,297                              | 1,000  | 6.1        | 17,297                                 | 1,500   | 8.7        | 18,797                                | 2,500  | 15.3        |
| <b>Total DEL</b>             | <b>161,463</b>                      | <b>1,000</b>   | <b>0.6</b> | <b>162,463</b>                         | <b>4,600</b>  | <b>2.8</b> | <b>167,063</b>                        | <b>5,600</b>   | <b>3.5</b>  |
| Annually Managed Expenditure | 16,024                              | 5,730  | 35.8       | 21,754                                 | 7,830   | 36.0       | 29,584                                | 13,560   | 84.6        |
| <b>TOTAL HER</b>             | <b>177,487</b>                      | <b>6,730</b>   | <b>3.8</b> | <b>184,217</b>                         | <b>12,430</b>   | <b>6.7</b> | <b>196,647</b>                        | <b>19,160</b>  | <b>10.8</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

Table 21: HER changes to spending programme area (SPA) allocations

| Main Expenditure Group (MEG)   | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |            | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|--------------------------------|-------------------------------------|--|------------|--|---|------------|---------------------------------------|--|-------------|
|                                | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent   | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>            |                                     |  |            |  |   |            |                                       |  |             |
| Culture Revenue                | 86,067                              | 0  | 0.0        | 86,067                                 | 1,562   | 1.8        | 87,629                                | 1,562  | 1.8         |
| Sport and Active Wales Revenue | 27,127                              | 0  | 0.0        | 27,127                                 | 0   | 0.0        | 27,127                                | 0  | 0.0         |
| Bilingual Wales Revenue        | 13,681                              | 0  | 0.0        | 13,681                                 | 100   | 0.7        | 13,781                                | 100  | 0.7         |
| Historic Wales Revenue         | 5,757                               | 0  | 0.0        | 5,757                                  | 726   | 12.6       | 6,483                                 | 726  | 12.6        |
| Tourism Revenue                | 12,534                              | 0  | 0.0        | 12,534                                 | 712   | 5.7        | 13,246                                | 712  | 5.7         |
| <b>Total Revenue DEL</b>       | <b>145,166</b>                      | <b>0</b>   | <b>0.0</b> | <b>145,166</b>                         | <b>3,100</b>  | <b>2.1</b> | <b>148,266</b>                        | <b>3,100</b>   | <b>2.1</b>  |
| <b>Capital DEL:</b>            |                                     |  |            |  |   |            |                                       |  |             |
| Culture Capital                | 9,042                               | 1,000  | 11.1       | 10,042                                 | 1,000   | 10.0       | 11,042                                | 2,000  | 22.1        |
| Sports & Active Wales Capital  | 1,170                               | 0  | 0.0        | 1,170                                  | 0   | 0.0        | 1,170                                 | 0  | 0.0         |
| Bilingual Wales Capital        | 100                                 | 0  | 0.0        | 100                                    | 0   | 0.0        | 100                                   | 0  | 0.0         |
| Historic Wales Capital         | 5,985                               | 0  | 0.0        | 5,985                                  | 500   | 8.4        | 6,485                                 | 500  | 8.4         |
| <b>Total Capital DEL</b>       | <b>16,297</b>                       | <b>1,000</b>   | <b>6.1</b> | <b>17,297</b>                          | <b>1,500</b>  | <b>8.7</b> | <b>18,797</b>                         | <b>2,500</b>   | <b>15.3</b> |
| <b>Total HER DEL</b>           | <b>161,463</b>                      | <b>1,000</b>   | <b>0.6</b> | <b>162,463</b>                         | <b>4,600</b>  | <b>2.8</b> | <b>167,063</b>                        | <b>5,600</b>   | <b>3.5</b>  |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 11. Public Services and Performance (PSP)

As compared with the Supplementary Budget 2009-10 in July 2009:

- PSP DEL has seen an overall reduction of 8 per cent (£4.8 million). This is wholly due to a corresponding reduction in revenue DEL.
- There has been no change in AME.
- The £4.8 million reduction in revenue DEL occurs in the Social Services Inspectorate SPA. This is due to transfers to the CSA MEG: £0.3 million for Value Wales; £0.3 million for Making the Connections; £0.5 million due to portfolio changes to Value Wales; and £3.7 million for xchangewales due to portfolio changes.

Table 22: PSP summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------|-------------------------------------|--|------------|--|---|-------------|---------------------------------------|--|-------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| Revenue DEL                  | 59,340                              | 0  | 0.0        | 59,340                                 | -4,809  | -8.1        | 54,531                                | -4,809   | -8.1        |
| Capital DEL                  | 445                                 | 0  | 0.0        | 445                                    | 0   | 0.0         | 445                                   | 0  | 0.0         |
| <b>Total DEL</b>             | <b>59,785</b>                       | <b>0</b>   | <b>0.0</b> | <b>59,785</b>                          | <b>-4,809</b>   | <b>-8.0</b> | <b>54,976</b>                         | <b>-4,809</b>  | <b>-8.0</b> |
| Annually Managed Expenditure | 0                                   | 0  | ..         | 0                                      | 0   | ..          | 0                                     | 0  | ..          |
| <b>TOTAL PSP</b>             | <b>59,785</b>                       | <b>0</b>   | <b>0.0</b> | <b>59,785</b>                          | <b>-4,809</b>   | <b>-8.0</b> | <b>54,976</b>                         | <b>-4,809</b>  | <b>-8.0</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

Table 23: PSP changes to spending programme area (SPA) allocations

| Main Expenditure Group (MEG)       | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------------|-------------------------------------|--|------------|--|---|-------------|---------------------------------------|--|-------------|
|                                    | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>                |                                     |  |            |  |   |             |                                       |  |             |
| Inspectorates                      | 17,972                              | 0  | 0.0        | 17,972                                 | 19  | 0.1         | 17,991                                | 19   | 0.1         |
| Estyn                              | 14,592                              | 0  | 0.0        | 14,592                                 | 0   | 0.0         | 14,592                                | 0  | 0.0         |
| Making the Connections             | 10,986                              | 0  | 0.0        | 10,986                                 | -4,828  | -43.9       | 6,158                                 | -4,828   | -43.9       |
| Social Services Inspectorate Wales | 15,790                              | 0  | 0.0        | 15,790                                 | 0   | 0.0         | 15,790                                | 0  | 0.0         |
| <b>Total Revenue DEL</b>           | <b>59,340</b>                       | <b>0</b>   | <b>0.0</b> | <b>59,340</b>                          | <b>-4,809</b>   | <b>-8.1</b> | <b>54,531</b>                         | <b>-4,809</b>  | <b>-8.1</b> |
| <b>Capital DEL:</b>                |                                     |  |            |  |   |             |                                       |  |             |
| Estyn                              | 445                                 | 0  | 0.0        | 445                                    | 0   | 0.0         | 445                                   | 0  | 0.0         |
| <b>Total Capital DEL</b>           | <b>445</b>                          | <b>0</b>   | <b>0.0</b> | <b>445</b>                             | <b>0</b>  | <b>0.0</b>  | <b>445</b>                            | <b>0</b>   | <b>0.0</b>  |
| <b>Total PSP DEL</b>               | <b>59,785</b>                       | <b>0</b>   | <b>0.0</b> | <b>59,785</b>                          | <b>-4,809</b>   | <b>-8.0</b> | <b>54,976</b>                         | <b>-4,809</b>  | <b>-8.0</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## 12. Central Services and Administration (CSA)

As compared with the Supplementary Budget 2009-10 in July 2009:

- CSA DEL has seen an overall increase of 10.8 per cent (£42.6 million).
- This consists of a revenue increase of £42.3 million (11.9 per cent) and a capital increase of £0.3 million (0.8 per cent).
- There has been no change in AME.
- The Ministerial Services (Revenue) SPA shows that largest percentage increase, more than doubling the previous allocation.
- The Other Central Administration SPA shows the largest cash terms increase of £25.9 million (representing 28.1 per cent).
- The Match Funding (Capital) SPA shows that largest cash terms reduction of £24.4 million. This is also the largest percentage reduction, representing 97.5 per cent.

Of the total £569 million additional DEL allocated in this budget £42.6 million (**7.5 per cent**) has gone into the CSA portfolio.<sup>31</sup>

- There have been allocations to revenue DEL of £18.4 million from reserves: £10 million for the Invest to Save fund; £7.2 million for pension liabilities; and £1.2 million for running cost pressures.
- There has also been a £19 million allocation from non cash reserves for ICT and building depreciation.
- The net impact of revenue transfers between MEGs is an increase of £4.9 million to revenue DEL: £7 million transferred in from other MEGs and £2.1 million out to other MEGs.
- There has also been a transfer of £9.4 million capital DEL to other MEGS.
- There has been an allocation to capital DEL of £24.2 million from reserves for the Location Strategy (Aberystwyth and Llandudno Junction offices). There has also been a transfer to capital reserves of £15 million from Match Funding.
- £0.5 million capital has been allocated from the SCIF for the Corporate Geographical Information Systems project (to the Capital BEL), (see section 3).

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<sup>31</sup> Note that figures may not add to total due to rounding.



Table 24: CSA summary of changes

| Main Expenditure Group (MEG) | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------|-------------------------------------|--|------------|--|---|-------------|---------------------------------------|--|-------------|
|                              | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| Revenue DEL                  | 355,294                             | -17  | 0.0        | 355,277                                | 42,300  | 11.9        | 397,577                               | 42,283   | 11.9        |
| Capital DEL                  | 40,033                              | 0  | 0.0        | 40,033                                 | 327   | 0.8         | 40,360                                | 327  | 0.8         |
| <b>Total DEL</b>             | <b>395,327</b>                      | <b>-17</b>   | <b>0.0</b> | <b>395,310</b>                         | <b>42,627</b>   | <b>10.8</b> | <b>437,937</b>                        | <b>42,610</b>  | <b>10.8</b> |
| Annually Managed Expenditure | 0                                   | 0  | ..         | 0                                      | 0   | ..          | 0                                     | 0  | ..          |
| <b>TOTAL CSA</b>             | <b>395,327</b>                      | <b>-17</b>   | <b>0.0</b> | <b>395,310</b>                         | <b>42,627</b>   | <b>10.8</b> | <b>437,937</b>                        | <b>42,610</b>  | <b>10.8</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

**Table 25: CSA changes to spending programme area (SPA) allocations**

| Main Expenditure Group (MEG)       | Total Final Budget 09-10 (Dec 2008) | Change from Final Budget to Supplementary Budget (July 2009) |            | Supplementary Budget 09-10 (July 2009) | Change from Supplementary Budget (July 09) to Supplementary Budget (Feb 2010) |             | Supplementary Budget 09-10 (Feb 2010) | Change from Final Budget (Dec 2008) to Supplementary Budget (Feb 2010) |             |
|------------------------------------|-------------------------------------|--|------------|--|---|-------------|---------------------------------------|--|-------------|
|                                    | £000s                               | £000s  | per cent   | £000s                                  | £000s   | per cent    | £000s                                 | £000s  | per cent    |
| <b>Revenue DEL:</b>                |                                     |  |            |  |   |             |                                       |  |             |
| Staff Costs and Salaries           | 241,561                             | 0  | 0.0        | 241,561                                | 3,006   | 1.2         | 244,567                               | 3,006  | 1.2         |
| Other Central Administration Costs | 92,497                              | -17  | 0.0        | 92,480                                 | 25,951  | 28.1        | 118,431                               | 25,934   | 28.0        |
| Ministerial Services               | 11,236                              | 0  | 0.0        | 11,236                                 | 13,343  | 118.8       | 24,579                                | 13,343   | 118.8       |
| Match Funding - Revenue            | 10,000                              | 0  | 0.0        | 10,000                                 | 0   | 0.0         | 10,000                                | 0  | 0.0         |
| <b>Total Revenue DEL</b>           | <b>355,294</b>                      | <b>-17</b>   | <b>0.0</b> | <b>355,277</b>                         | <b>42,300</b>   | <b>11.9</b> | <b>397,577</b>                        | <b>42,283</b>  | <b>11.9</b> |
| <b>Capital DEL:</b>                |                                     |  |            |  |   |             |                                       |  |             |
| Other Central Administration Costs | 15,033                              | 0  | 0.0        | 15,033                                 | 24,700  | 164.3       | 39,733                                | 24,700   | 164.3       |
| Match Funding - Capital            | 25,000                              | 0  | 0.0        | 25,000                                 | -24,373   | -97.5       | 627                                   | -24,373  | -97.5       |
| <b>Total Capital DEL</b>           | <b>40,033</b>                       | <b>0</b>   | <b>0.0</b> | <b>40,033</b>                          | <b>327</b>  | <b>0.8</b>  | <b>40,360</b>                         | <b>327</b>   | <b>0.8</b>  |
| <b>Total CSA DEL</b>               | <b>395,327</b>                      | <b>-17</b>   | <b>0.0</b> | <b>395,310</b>                         | <b>42,627</b>   | <b>10.8</b> | <b>437,937</b>                        | <b>42,610</b>  | <b>10.8</b> |

Source: Members' Research Service Calculations from [Welsh Government Budgets](#).

## Annex A Finance Wales and borrowing

The Western Mail reported on [24 February 2010](#) and on [10 February](#) on the Welsh Government's bid to privatise Finance Wales.<sup>32</sup> This raises questions regarding Finance Wales' borrowing from the European Investment Bank and its use of ERDF monies.

In April 2009 the Welsh Government launched the £150m [JEREMIE fund](#), which is managed by Finance Wales, to invest in growth SMEs in Wales. The £150m fund in Wales includes £75m of funding from the European Investment Bank under the EU's JEREMIE initiative and a further £60m from the Welsh Assembly Government, via the European Regional Development Fund resources.

The Western Mail article reports that HM Treasury has decided that Finance Wales' external borrowings should now be reflected as part of the Welsh Government's budget, rather than being considered as 'off balance sheet'. This means that Finance Wales' borrowings of £97m (including the £75m from the EIB) are considered as part of the budget settlement, rather than as additional to it.

The supplementary budget reflects this development as the Economy and Transport capital DEL shows an allocation from the Welsh Government's reserves of £97m 'to reflect the external borrowings of Finance Wales'.

It should be noted that in April 2008 the European and External Affairs Committee inquiry into the role of the European Investment Bank in Wales took evidence from the Deputy First Minister and his officials. One of the officials gave the following advice to the Committee with regard to the borrowings of Finance Wales:<sup>33</sup>

The issue with the involvement of the Treasury would arise if the Assembly were to borrow money directly from the European Investment Bank, as we would need to offset it against our public sector borrowing requirement. In fact, Finance Wales can borrow money outside the Assembly's allocations, and so that is money that we can bring into Wales and match with our European structural funds, and we do not need to go to the Treasury to ask it to allocate it as part of our borrowing requirements.

Also of interest is the fact that the Scottish Government has decided not to proceed with a loan from the European Investment Bank under the JEREMIE initiative due to 'the cost and complexity of the arrangements that would have been required to avoid such borrowing counting against the Scottish Government's Departmental Expenditure Limit under the budgeting rules applied by the UK Government'.<sup>34</sup>

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<sup>32</sup> See Also Welsh Government Press Release, [Finance Wales - investment for growth](#), 9 February 2010 [accessed 5 March 2010]

<sup>33</sup> [European and External Affairs Committee, 17 April 2008](#) [accessed 5 March 2010]

<sup>34</sup> [Question \(S3W:30440\)](#) [accessed 5 March 2010]

