

National Assembly for Wales

Second Supplementary Budget 2012-13 (February 2013)

February 2013

The Welsh Government's second supplementary budget for 2012-13 was laid before the National Assembly for Wales on 5 February 2013. It details a number of transfers within and between portfolios, baseline adjustments including transfers with the UK Government and switches between revenue and capital, and allocations from reserves.

This paper is intended to inform scrutiny of the supplementary budget. It provides an overview of the proposed changes and compares them with both the previous Supplementary Budget 2012-13, as agreed by the Assembly in July 2012, and the Final Budget 2012-13. Thus, it builds on the information provided in the documentation produced by the Welsh Government.

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National Assembly for Wales

**Second Supplementary Budget 2012-13
(February 2013)**

February 2013

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Summary

This second supplementary budget for 2012-13 amends the previous supplementary budget 2012-13, approved by the National Assembly in July 2012. This supplementary budget fulfils three main purposes:

- Makes allocations from central reserves;
- Reflects transfers within and between Welsh Government departmental budgets; and
- Adjusts the baselines to account for transfers with the UK Government, transfers between revenue and capital and carry forward of funding.

Since the last supplementary budget for 2012-13:

- Total managed expenditure (TME) in the Welsh block has increased by £215.3 million, or 1.4%. Of this, £212.7 million is allocated to Welsh Government departments.
- Total departmental expenditure limits (DEL) in the Welsh block have increased by £123.6 million, or 0.8%. Of this, £121 million is allocated to Welsh Government departments.
- Revenue DEL in the Welsh block has decreased by £7.2 million, or 0.1%. However, the supplementary budget allocates an additional £34.8 million revenue DEL to Welsh Government departments.
- Capital DEL in the Welsh block has increased by £130.8 million, or 10.6%. Of this, £86.2 million is allocated to Welsh Government departments.
- Annually managed expenditure (AME) in the Welsh block has increased by £91.7 million, or 22.6%. Of this, £91.7 million is allocated to Welsh Government departments.

Although the supplementary budget allocates additional funds, the motion itself, which the Assembly is asked to authorise, **requests a reduction of £44.4 million in the amount to be paid out of the Welsh Consolidated Fund** to the Welsh Ministers in the 2012-13 financial year.

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1. Second Supplementary Budget 2012-13

The second supplementary budget motion for the 2012-13 financial year was laid by the Minister for Finance and Leader of the House (Jane Hutt, AM) on 5 February 2013.¹ This was accompanied by a narrative document² and tables showing the main expenditure group (MEG)³ allocations.⁴ This supplementary budget amends the previous supplementary budget 2012-13, as approved by the National Assembly on 17 July 2012.⁵

In her statement accompanying the supplementary budget, the Minister stated:

The main purpose of this Supplementary Budget is to reflect the budgetary changes since the First Supplementary Budget 2012-13 published by the Welsh Government in June. It also sets out a number of allocations from our reserves, transfers between Welsh Government Departments, transfers with UK Government Departments and includes revised Annually Managed Expenditure forecasts.⁶

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

Although the supplementary budget allocates additional funds (as discussed in [section 2](#)), the motion itself, which the Assembly is asked to authorise, requests a **reduction of £44.4 million in the amount to be paid out of the Welsh Consolidated Fund** to the Welsh Ministers in the 2012-13 financial year.⁷

Schedule 7 of the motion shows that in comparison to the first supplementary budget 2012-13:

- Payments from other government departments⁸ have increased by £55.4 million; and

¹ Welsh Government, [Supplementary Budget Motion 2012-13](#), February 2013. [accessed 11 February 2013]

² Welsh Government, [Supplementary Budget 2012-13 Narrative](#), February 2013. [accessed 11 February 2013]

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

⁴ Welsh Government, [Supplementary Budget 2012-13 Allocation Tables](#), February 2013 [accessed 11 February 2013]

⁵ Welsh Government, [Supplementary Budget 2012-13](#), June 2012. The Finance Committee’s report on this supplementary budget can be accessed here: [Scrutiny of Supplementary Budget Motion 2012-13 \(Summer 2012\)](#), and the motion approved in Plenary can be accessed here: [RoP 17 July 2012](#). [accessed 11 February 2013]

⁶ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Supplementary Budget 2012-13](#), Cabinet Written Statement, 5 February 2013. [accessed 11 February 2013]

⁷ Welsh Government, [Supplementary Budget Motion 2012-13](#), February 2013 (Schedule 5, Table 2). Note that the figures presented in the motion are on a **resource** basis, whereas the figures presented in the MEG tables, narrative document and this paper are on an **administrative** basis. This £44.4 million figure is stated on a cash basis, as it refers to payments authorised from the WCF, and so does not match the figures presented in the rest of this paper. However it is what the Assembly are **formally requested to approve**. The administrative budget includes items which score outside government accounts, and so are not included in the resources required by the Welsh Government. [accessed 11 February 2013]

⁸ Note that the payments from UK Government departments referred to here are not the same as the transfers referred to later in this paper. The payments referred to in Schedule 7 of the motion relate to payments which score outside the block

- Payments from other sources, (such as income from non-domestic rates) have increased by £43.9 million.

Thus, it would appear that the requested reduction of the amount required from the Consolidated Fund is **due to other sources of income being higher than originally forecast**.

Further information on the supplementary budget process can be found in the Research Service Quick Guide: [Supplementary Budget](#). The [Budget Glossary](#) may also be of interest.

grant, (such as National Insurance Fund receipts in relation to health), rather than consequentials as a result of the Barnett formula.

2. Headline figures

This section provides details of the headline changes actioned in this supplementary budget. Further details of changes within each MEG at spending programme area (SPA)⁹ level can be found in later sections of this paper.

2.1. Total managed expenditure (TME)

Table 1 provides an overview of changes to total managed expenditure (TME),¹⁰ since the first supplementary budget for 2012-13, and also since the final budget 2012-13.

Since the first supplementary budget 2012-13, TME in the Welsh block has increased by £215.3 million, or 1.4%. This is due to:

- baseline adjustments of £123.6 million in departmental expenditure limits (DEL)¹¹ (see [section 2.2](#) for further detail); and
- additional annually managed expenditure (AME)¹² allocations of £91.7 million.

Overall, this supplementary budget allocates an additional £212.7 million (1.4%) in TME to Welsh Government departments. This is due to:

- additional DEL allocations of £121 million (see [section 2.2](#) for further detail); and
- £91.7 in additional AME allocations.

In comparison to the first supplementary budget for 2012-13 the greatest changes in TME allocations to Welsh Government MEGS are as follows:

- The largest cash increase is seen in the Health, Social Services and Children MEG: £141.4 million, or 2.2%.
- The largest percentage increase is seen in the Housing, Regeneration and Heritage MEG: 6.4% or £33.5 million.
- The largest cash reduction is seen in the Central Services and Administration MEG: £32.2 million, or 8.9%.

⁹ **Spending programme area (SPA)** – the Welsh Government’s budget is broken down into several levels of detail for monitoring and control purposes. SPAs are the second level of detail below main expenditure groups (MEGs) and define discrete groups of allocations according to the type of services to be delivered.

¹⁰ **Total managed expenditure (TME)** – the combined total of the two budget elements: annually managed expenditure (AME) and departmental expenditure limits (DEL).

¹¹ **Departmental expenditure limits (DEL)** – normally set over three or four years as part of the UK Government’s spending review process, this is the multi-year budget limit for the Welsh Government. Most of the DEL is unhypothecated (the assigned budget), and allows the Welsh Ministers full discretion over its spending priorities. Changes in provision for DEL are generally determined by the Barnett formula.

¹² **Annually managed expenditure (AME)** – expenditure in AME is less predictable than that in departmental expenditure limits (DEL). It covers spend which is generally demand-led and therefore provision cannot reasonably be subject to multi-year limits, (for example, the issue of student loans). AME is reviewed and set twice a year by HM Treasury. AME can only be allocated to the purpose for which it is assigned; therefore the Welsh Ministers have no discretion over its allocation. Further AME can be drawn from HM Treasury if required, while any unspent AME must be returned.

- The largest percentage reduction is seen in the Business, Enterprise, Technology and Science MEG: 10.2% or £32.2 million.¹³

¹³ The actual cash reduction here is £32.173 million, thus is smaller than the £32.212 million reduction in the Central Services and Administration MEG.

Table 1: Changes to TME

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
Health, Social Services & Children	6,469,006	6,544,950	75,944	1.2	6,686,325	217,319	3.4	141,375	2.2
Local Government & Communities	5,168,827	5,147,024	-21,803	-0.4	5,191,568	22,741	0.4	44,544	0.9
Business, Enterprise, Technology & Science	313,728	316,628	2,900	0.9	284,455	-29,273	-9.3	-32,173	-10.2
Education & Skills	1,987,278	2,033,131	45,853	2.3	2,089,576	102,298	5.1	56,445	2.8
Environment & Sustainable Development	326,812	340,522	13,710	4.2	341,770	14,958	4.6	1,248	0.4
Housing, Regeneration & Heritage	514,330	527,138	12,808	2.5	560,618	46,288	9.0	33,480	6.4
Central Services & Administration	348,082	361,041	12,959	3.7	328,829	-19,253	-5.5	-32,212	-8.9
Total Welsh Government TME	15,128,063	15,270,434	142,371	0.9	15,483,141	355,078	2.3	212,707	1.4
Revenue Reserves	165,403	150,042	-15,361	-9.3	108,118	-57,285	-34.6	-41,924	-27.9
Capital Reserves	49,521	5,422	-44,099	-89.1	50,000	479	1.0	44,578	822.2
Assembly Commission	47,477	47,477	0	0.0	47,477	0	0.0	0	0.0
Auditor General for Wales	4,740	4,740	0	0.0	4,740	0	0.0	0	0.0
Public Services Ombudsman for Wales	3,853	3,853	0	0.0	3,823	-30	-0.8	-30	-0.8
Direct Charges	642	642	0	0.0	642	0	0.0	0	0.0
Total Wales TME	15,400,699	15,482,610	81,911	0.5	15,697,941	297,242	1.9	215,331	1.4

Source: Research Service calculations from Welsh Government [Budgets](#)

2.2. Departmental expenditure limits (DEL)

Table 2 provides an overview of changes to DEL since the first supplementary budget for 2012-13, and also since the final budget 2012-13.

Since the first supplementary budget 2012-13, total DEL in the Welsh block has increased by £123.6 million, or 0.8%. This is entirely due to baseline adjustments:

- £30.5 million transfers from UK Government; and
- £93.1 carried forward under BES.

Overall, this supplementary budget allocates an additional £121 million (0.8%) in total DEL to Welsh Government departments. This is due to:

- allocations of £118.1 million from reserves; and
- £2.9 million transferred from the UK Government.

In comparison to the first supplementary budget for 2012-13 the greatest changes in total DEL allocations to Welsh Government MEGS are as follows:

- The largest cash increase is seen in the Education and Skills MEG: £70.4million, or 3.8%.
- The largest percentage increase is seen in the Housing, Regeneration and Heritage MEG: 5.6% or £33.5 million.
- The largest reduction, in both cash and percentage terms, is seen in the Central Services and Administration MEG: £35.1 million, or 9.7%.

Figure 1 shows the percentage change in total DEL allocated to each MEG against the overall change in this supplementary budget, and the changes as at the previous supplementary budget and the final budget 2012-13.

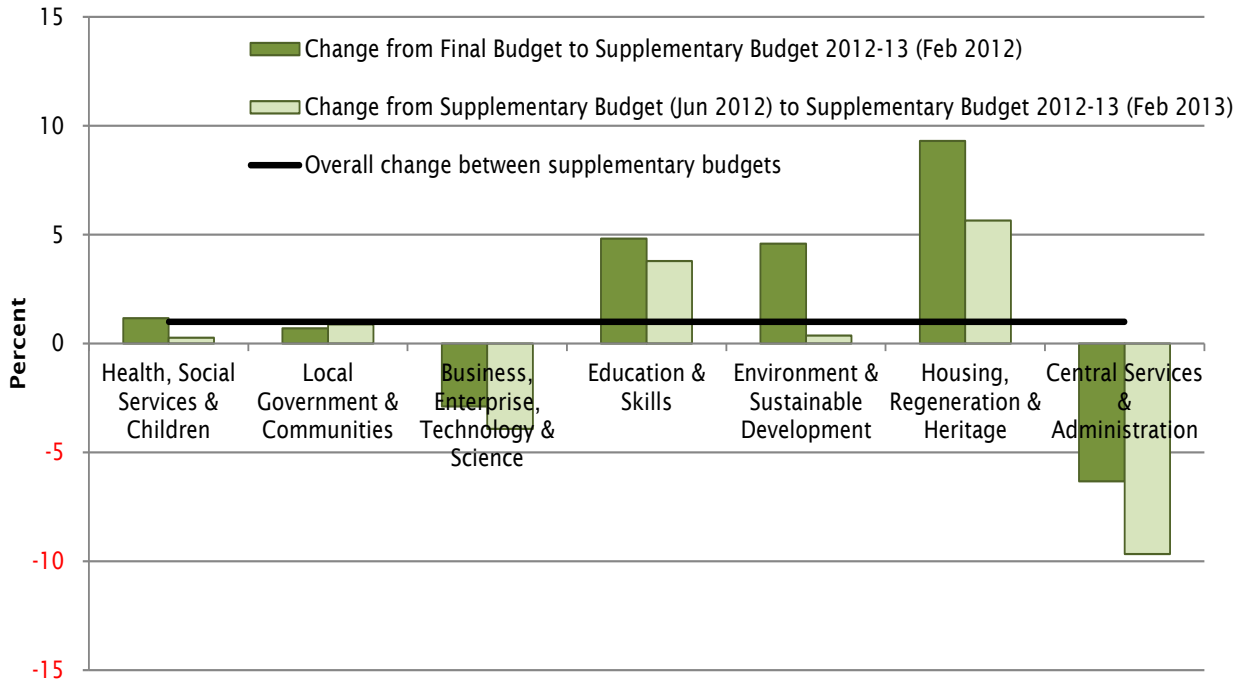
Figure 2 shows what percentage of the additional £121 million total DEL has been allocated to each MEG in this supplementary budget.

Table 2: Changes to total DEL

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
Health, Social Services & Children	6,287,226	6,343,240	56,014	0.9	6,360,429	73,203	1.2	17,189	0.3
Local Government & Communities	5,104,513	5,095,639	-8,874	-0.2	5,140,183	35,670	0.7	44,544	0.9
Business, Enterprise, Technology & Science	272,326	275,226	2,900	1.1	264,455	-7,871	-2.9	-10,771	-3.9
Education & Skills	1,836,753	1,854,822	18,069	1.0	1,925,214	88,461	4.8	70,392	3.8
Environment & Sustainable Development	326,812	340,522	13,710	4.2	341,770	14,958	4.6	1,248	0.4
Housing, Regeneration & Heritage	572,840	592,648	19,808	3.5	626,128	53,288	9.3	33,480	5.6
Central Services & Administration	349,919	362,883	12,964	3.7	327,779	-22,140	-6.3	-35,104	-9.7
Total Welsh Government DEL	14,750,389	14,864,980	114,591	0.8	14,985,958	235,569	1.6	120,978	0.8
Revenue Reserves	165,403	150,042	-15,361	-9.3	108,118	-57,285	-34.6	-41,924	-27.9
Capital reserves	49,521	5,422	-44,099	-89.1	50,000	479	1.0	44,578	822.2
Assembly Commission	47,227	47,227	0	0.0	47,227	0	0.0	0	0.0
Auditor General for Wales	4,740	4,740	0	0.0	4,740	0	0.0	0	0.0
Public Services Ombudsman for Wales	4,034	4,034	0	0.0	4,034	0	0.0	0	0.0
Direct Charges	642	642	0	0.0	642	0	0.0	0	0.0
Total Wales DEL	15,022,956	15,077,087	54,131	0.4	15,200,719	177,763	1.2	123,632	0.8

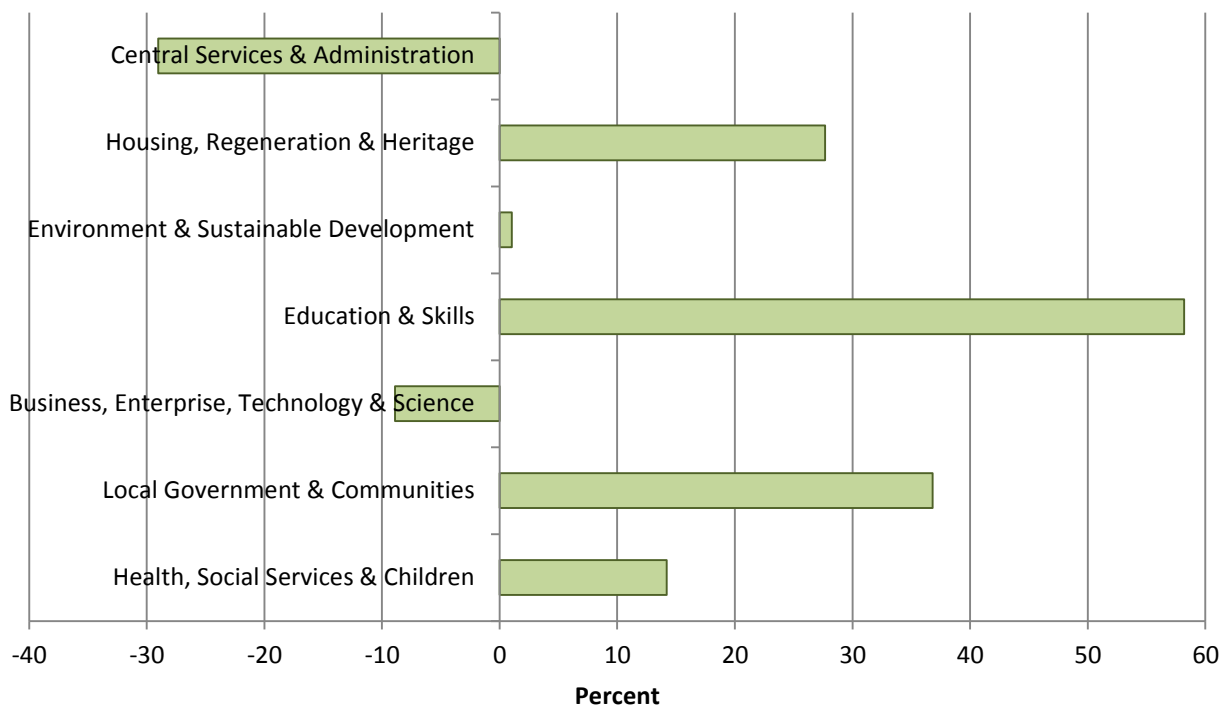
Source: Research Service calculations from Welsh Government [Budgets](#)

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



Source: Research Service calculations from Welsh Government [Budgets](#)

Figure 2: Percentage of additional total DEL allocated to each MEG in this supplementary budget



Source: Research Service calculations from Welsh Government [Budgets](#)

2.2.1. Revenue DEL

Table 3 provides an overview of changes to revenue DEL since the first supplementary budget for 2012-13, and also since the final budget 2012-13.

Since the first supplementary budget 2012-13, revenue DEL in the Welsh block has decreased by £7.2 million, or 0.1%. This is entirely due to baseline adjustments of:

- £24.2 million transfers from UK Government;
- £82.6 carried forward under BES;
- offset by a £113.9 million reduction as a result of a switch to capital.

Overall, this supplementary budget allocates an additional £34.8 million¹⁴ (0.3%) in revenue DEL to Welsh Government departments. This is due to:

- allocations of £37.8 million from reserves;
- £0.8 million transferred to the UK Government; and
- £2.3 million reduction as a result of transfers within MEGs.¹⁵

In comparison to the first supplementary budget for 2012-13 the greatest changes in revenue DEL allocations to Welsh Government MEGs are as follows:

- The largest cash increase is seen in the Health, Social Services and Children MEG: £51 million, or 0.8%.
- The largest percentage increase is seen in both the Health, Social Services and Children MEG: 0.8%, or £51 million, and the Education and Skills MEG – 0.8%, or £13.6 million.
- The largest cash reduction is seen in the Central Services and Administration MEG: £36.5 million, or 10.9%.
- The largest percentage reduction is seen in the Business, Enterprise, Technology and Science MEG: 11.9% or £21 million.

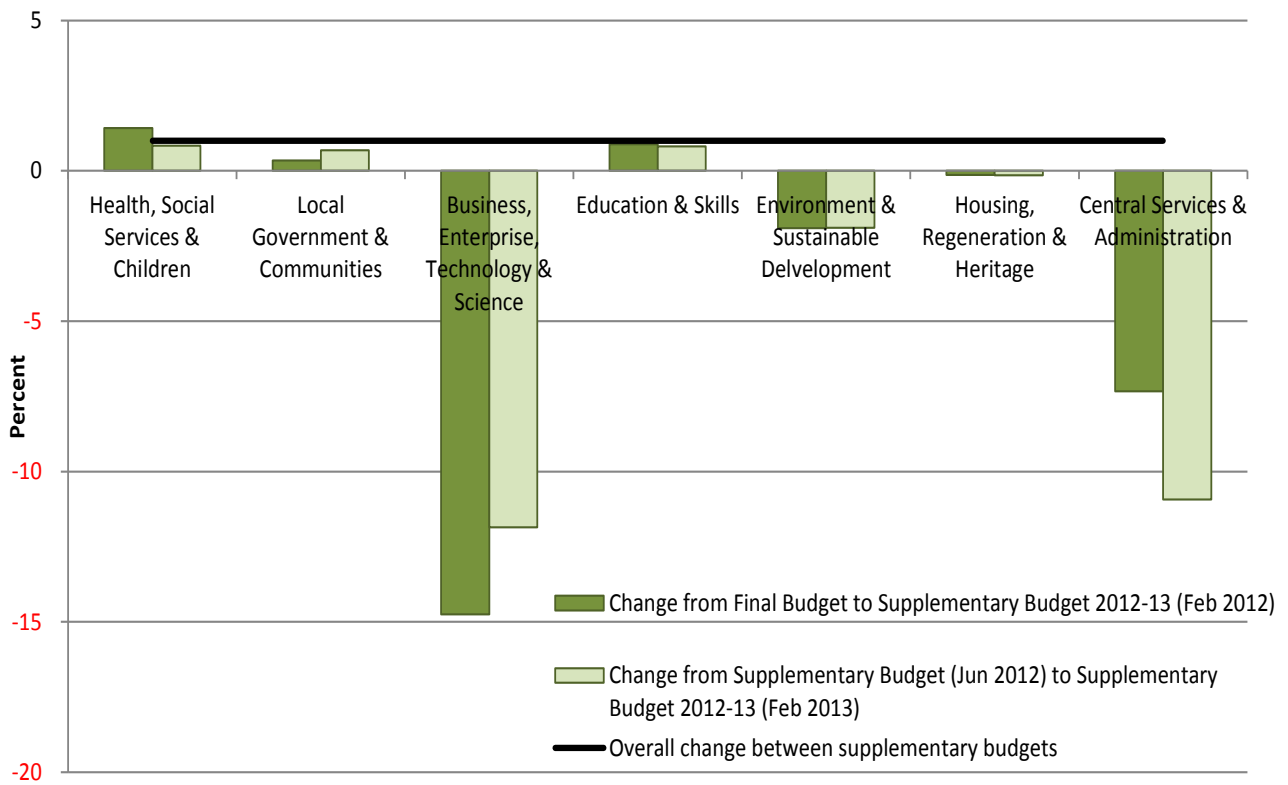
Figure 3 shows the percentage change in revenue DEL allocated to each MEG against the overall change in this supplementary budget, and the changes as at the previous supplementary budget and the final budget 2012-13.

Figure 4 shows what percentage of the additional £34.8 million revenue DEL has been allocated to each MEG in this supplementary budget.

¹⁴ Figures may not add precisely, due to rounding.

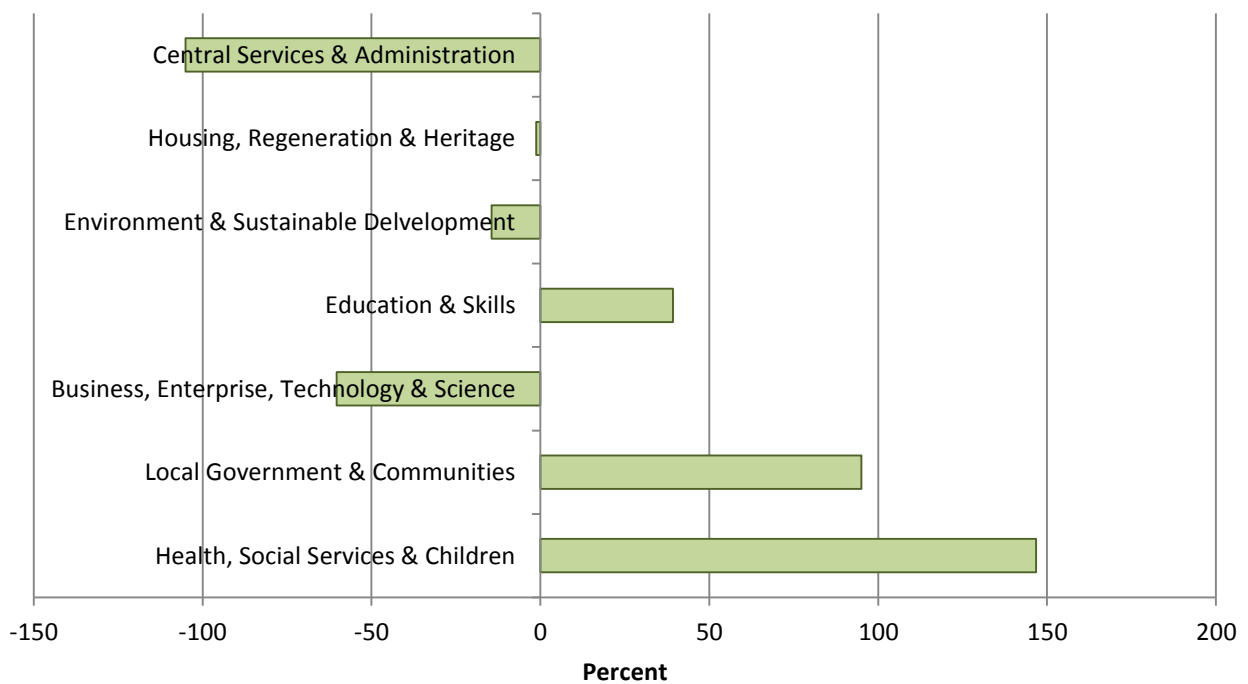
¹⁵ This £2.25 million reduction in revenue (and the corresponding increase in capital) is the net result of all the in-MEG revenue to capital transfers.

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



Source: Research Service calculations from Welsh Government [Budgets](#)

Figure 4: Percentage of additional revenue DEL allocated to each MEG in this supplementary budget



Source: Research Service calculations from Welsh Government [Budgets](#)

Table 3: Changes to revenue DEL

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
Health, Social Services & Children	6,046,623	6,081,527	34,904	0.6	6,132,540	85,917	1.4	51,013	0.8
Local Government & Communities	4,842,872	4,826,288	-16,584	-0.3	4,859,332	16,460	0.3	33,044	0.7
Business, Enterprise, Technology & Science	182,870	176,870	-6,000	-3.3	155,899	-26,971	-14.7	-20,971	-11.9
Education & Skills	1,675,410	1,676,529	1,119	0.1	1,690,171	14,761	0.9	13,642	0.8
Environment & Sustainable Development	265,183	265,153	-30	-0.0	260,131	-5,052	-1.9	-5,022	-1.9
Housing, Regeneration & Heritage	278,282	278,330	48	0.0	277,910	-372	-0.1	-420	-0.2
Central Services & Administration	321,455	334,419	12,964	4.0	297,891	-23,564	-7.3	-36,528	-10.9
Total Welsh Government Revenue DEL	13,612,695	13,639,116	26,421	0.2	13,673,874	61,179	0.4	34,758	0.3
Revenue Reserves	165,403	150,042	-15,361	-9.3	108,118	-57,285	-34.6	-41,924	-27.9
Capital reserves	0	0	0	0.0	0	0	0.0	0	0.0
Assembly Commission	46,565	46,565	0	0.0	46,565	0	0.0	0	0.0
Auditor General for Wales	4,724	4,724	0	0.0	4,724	0	0.0	0	0.0
Public Services Ombudsman for Wales	4,020	4,020	0	0.0	4,020	0	0.0	0	0.0
Direct Charges	642	642	0	0.0	642	0	0.0	0	0.0
Total Wales Revenue DEL	13,834,049	13,845,109	11,060	0.1	13,837,943	3,894	0.0	-7,166	-0.1

Source: Research Service calculations from Welsh Government [Budgets](#)

2.2.2. Capital DEL

Table 4 provides an overview of changes to capital DEL since the first supplementary budget for 2012-13, and also since the final budget 2012-13.

Since the first supplementary budget 2012-13, capital DEL in the Welsh block has increased by £130.8 million,¹⁶ or 10.6%. This is entirely due to baseline adjustments of:

- £6.4 million transfers from UK Government;
- £10.6 carried forward under BES; and
- £113.9 million as a result of a switch from revenue.

Overall, this supplementary budget allocates an additional £86.2 million (7.0%) in capital DEL to Welsh Government departments. This is due to:

- allocations of £80.3 million from reserves;
- £3.7 million transferred from the UK Government; and
- £2.3 million increase as a result of transfers within MEGs.¹⁷

In comparison to the first supplementary budget for 2012-13 the greatest changes in capital DEL allocations to Welsh Government MEGS are as follows:

- The largest cash increase, in both cash and percentage terms, is seen in the Education and Skills MEG: £56.8 million, or 31.8%.
- The only reduction is seen in the Health, Social Services and Children MEG: £33.8 million, or 12.9%.

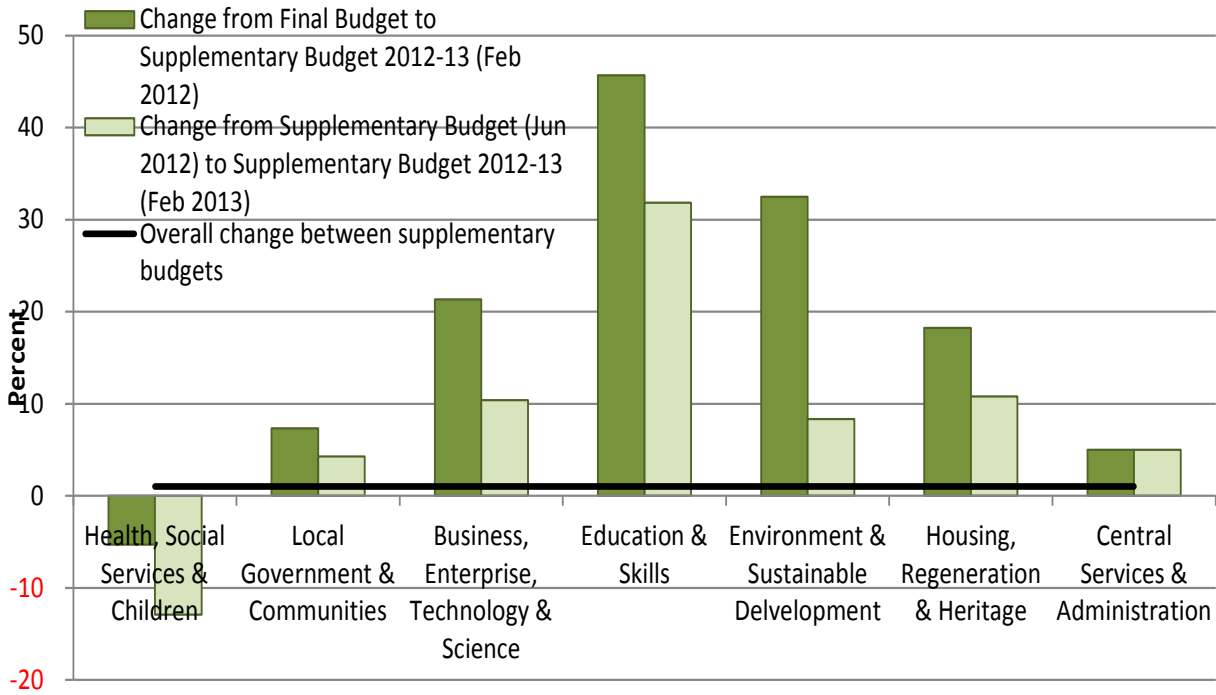
Figure 5 shows the percentage change in capital DEL allocated to each MEG against the overall change in this supplementary budget, and the changes as at the previous supplementary budget and the final budget 2012-13.

Figure 6 shows what percentage of the additional £86.2 million capital DEL has been allocated to each MEG in this supplementary budget.

¹⁶ Figures may not add precisely, due to rounding.

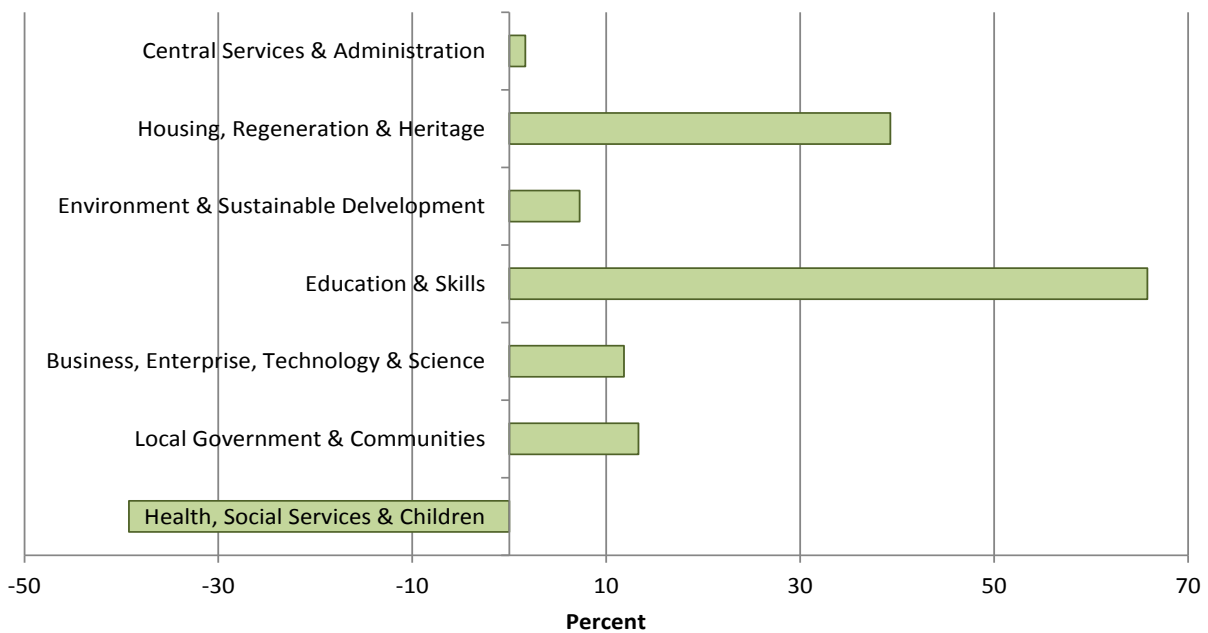
¹⁷ This £2.25 million increase in capital (and the corresponding reduction in revenue) is the net result of all the in-MEG revenue to capital transfers.

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



Source: Research Service calculations from Welsh Government [Budgets](#)

Figure 6: Percentage of additional capital DEL allocated to each MEG in this supplementary budget



Source: Research Service calculations from Welsh Government [Budgets](#)

Table 4: Changes to capital DEL

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
Health, Social Services & Children	240,603	261,713	21,110	8.8	227,889	-12,714	-5.3	-33,824	-12.9
Local Government & Communities	261,641	269,351	7,710	2.9	280,851	19,210	7.3	11,500	4.3
Business, Enterprise, Technology & Science	89,456	98,356	8,900	9.9	108,556	19,100	21.4	10,200	10.4
Education & Skills	161,343	178,293	16,950	10.5	235,043	73,700	45.7	56,750	31.8
Environment & Sustainable Development	61,629	75,369	13,740	22.3	81,639	20,010	32.5	6,270	8.3
Housing, Regeneration & Heritage	294,558	314,318	19,760	6.7	348,218	53,660	18.2	33,900	10.8
Central Services & Administration	28,464	28,464	0	0.0	29,888	1,424	5.0	1,424	5.0
Total Welsh Government Capital DEL Allocations	1,137,694	1,225,864	88,170	7.7	1,312,084	174,390	15.3	86,220	7.0
Revenue Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Capital reserves	49,521	5,422	-44,099	-89.1	50,000	479	1.0	44,578	822.2
Assembly Commission	662	662	0	0.0	662	0	0.0	0	0.0
Auditor General for Wales	16	16	0	0.0	16	0	0.0	0	0.0
Public Services Ombudsman for Wales	14	14	0	0.0	14	0	0.0	0	0.0
Direct Charges	0	0	0	0.0	0	0	0.0	0	0.0
Total Wales Capital DEL	1,188,907	1,231,978	43,071	3.6	1,362,776	173,869	14.6	130,798	10.6

Source: Research Service calculations from Welsh Government [Budgets](#)

2.3. *Annually managed expenditure (AME)*

[Table 5](#) provides an overview of changes to AME since the first supplementary budget for 2012-13, and also since the final budget 2012-13.

Since the first supplementary budget 2012-13, AME in the Welsh block has increased by £91.7 million, or 22.6%. This is due to:

- additional AME allocations to Welsh Government MEGs of £91.7 million;
- offset by a reduction to the Ombudsman's AME budget of £30,000, or 16.6%.

Overall, this supplementary budget allocates an additional £91.7 million (22.6%) in AME to Welsh Government departments.

Table 5: Changes to AME

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
Health, Social Services & Children	181,780	201,710	19,930	11.0	325,896	144,116	79.3	124,186	61.6
Local Government & Communities	64,314	51,385	-12,929	-20.1	51,385	-12,929	-20.1	0	0.0
Business, Enterprise, Technology & Science	41,402	41,402	0	0.0	20,000	-21,402	-51.7	-21,402	-51.7
Education & Skills	150,525	178,309	27,784	18.5	164,362	13,837	9.2	-13,947	-7.8
Environment & Sustainable Development	0	0	0	0.0	0	0	0.0	0	0.0
Housing, Regeneration & Heritage	-58,510	-65,510	-7,000	-12.0	-65,510	-7,000	-12.0	0	0.0
Central Services & Administration	-1,837	-1,842	-5	0.3	1,050	2,887	157.2	2,892	157.0
Total Welsh Government AME Allocations	377,674	405,454	27,780	7.4	497,183	119,509	31.6	91,729	22.6
Assembly Commission	250	250	0	0.0	250	0	0.0	0	0.0
Public Services Ombudsman for Wales	-181	-181	0	0.0	-211	-30	-16.6	-30	-16.6
Total Wales AME	377,743	405,523	27,780	7.4	497,222	119,479	31.6	91,699	22.6

Source: Research Service calculations from Welsh Government [Budgets](#)

3. Baseline adjustments

As noted in [section 2](#) there has been an increase in total DEL in the Welsh block of £123.6 million;¹⁸ comprising an increase of £130.8 million capital DEL, offset by a reduction of in revenue DEL of £7.2 million. These changes are due to baseline adjustments:

- £30.6 million as a result of transfers with the UK Government;
- £93.1 million carried forward from the 2011-12 financial year via the budget exchange system (BES);¹⁹ and
- £113.9 million switched from revenue to capital DEL.

These adjustments are detailed in [table 6](#), which also shows the revenue changes separated into fiscal²⁰ and non fiscal.²¹

Together with the £91.7 million increase in AME, these changes account for the overall increase of £215.3 million TME to the Welsh block.

Table 6: Baseline adjustments

Description	Fiscal Revenue	Non-fiscal Revenue	Revenue	Capital
	£ millions	£ millions	£ millions	£ millions
Transfers with UK Government:	0.8	23.4	24.2	6.4
From HM Treasury for Coastal Communities Fund	1.2		1.2	
To HM Treasury for Fire Fighter Pension Schemes	-0.3		-0.3	
Allocation from UK reserves re student loans		25.0	25.0	
Transfer to DEFRA for depreciation costs		-1.7	-1.7	
AS2012 consequentials				2.7
Transfer from DCMS for Next Generation Broadband				3.7
Carry forward under Budget Exchange System	67.1	15.4	82.5	10.6
Revenue to capital switch	-113.9		-113.9	113.9
Total baseline adjustments	-45.9	38.8	-7.2	130.8

Source: Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

DEFRA – Department for Environment, Food and Rural Affairs

DCMS – Department of Culture, Media and Sport

¹⁸ Figures may not add to totals exactly, due to rounding.

¹⁹ **Budget Exchange System (BES)** - mechanism for the Welsh Government to carry forward any underspends of the assigned budget from one financial year to the next, subject to the agreement of HM Treasury and up to an agreed cap of 0.6 per cent of revenue DEL and 1.5 per cent of capital DEL.

²⁰ **Fiscal revenue** - A control total used by HM Treasury, this is an accruals measure of transactions which would be expected to turn into cash flow soon. It takes account of differences between resources used and cash flows at the start and end of the financial year. For example, expenditure on gas/electricity is incurred as the fuel is used, although the actual cash payment might be made in arrears on a quarterly basis. Other examples include pay, procurement, revenue grants and subsidies. Fiscal resource excludes non fiscal resource.

²¹ **Non-fiscal revenue** - A control total used by HM Treasury, this is an accruals measure used in budgets to ensure they reflect the full economic cost of activities even though there is no direct link to cash flows during the relevant period. Examples of non cash costs include depreciation, provisions and cost of capital. Such payments will either never give rise to an actual cash cost, or will only give rise to cash payments years into the future. Non fiscal resource cannot be used to fund fiscal resource spending.

3.1. Transfers with UK Government

As shown in [table 6](#), there have been a number of transfers with the UK Government. This shows transfers of fiscal²² and non-fiscal²³ revenue DEL and capital DEL.

- £1.2 million revenue from HM Treasury with respect to the Coastal Communities Fund. This has been allocated to the *Regeneration* action in the Housing, Regeneration and Heritage MEG (see [section 11](#)).
- £25 million revenue allocation from UK Reserves reflecting an adjustment to the statistical model used to calculate student loans valuations. This has been allocated to the *Post-16 Learner Support* action in the Education and Skills MEG (see [section 9](#)).
- £0.3 million revenue transferred out to HM Treasury with respect to Fire Fighters Pension Schemes. This transfer has come out of the *Fire and Rescue Services Resilience* action in the Local Government and Communities MEG. (see [section 7](#)).
- £1.7 million transferred out to the Department for Environment, Fisheries and Rural Affairs (DEFRA) for depreciation costs as a result of the Clear Line of Sight project.²⁴ This transfer has come out of the *Promote protected landscapes and countryside access* action in the Environment and Sustainable Development MEG (see [section 10](#)).
- £2.7 million capital transferred in as a result of consequential of the Autumn Statement 2012. This has gone into central reserves (see [table 6](#)).
- £3.7 million capital transferred in from the Department of Culture, Media and Sport (DCMS) to support Next Generation Broadband Wales. This has been allocated to the *Deliver ICT Infrastructure* capital action in the Business, Enterprise, Technology and Science MEG (see [section 8](#)).

Therefore, there has been an overall increase of £30.6 million as a result of transfers with the UK Government: £24.4 million revenue DEL and £6.4 million capital DEL. All of these transfers have been made via central reserves (as shown in [table 7](#)).

²² **Fiscal (or near cash) revenue** – a control total used by HM Treasury, this is an accruals measure of transactions which would be expected to turn into cash flow soon. This takes account of differences between resources used and cash flows at the start and end of the financial year. For example, expenditure on utilities is incurred as the utility is consumed, although the actual cash payment may be made in arrears on a quarterly basis. Other examples include pay, procurement, revenue grants and subsidies. Fiscal revenue excludes non-fiscal (or non cash) costs.

²³ **Non-fiscal (or non cash) revenue** – a control total used by HM Treasury, this is an accruals measure used in budgets to ensure they reflect the full economic cost of activities even though there may not be a direct link to cash flows during the relevant period. Examples of non-fiscal costs include elements of depreciation, provisions and cost of capital. Such payments will either never give rise to an actual cash cost, or will only give rise to cash payments years into the future. Non-fiscal revenue cannot be used to fund fiscal revenue spending.

²⁴ The Clear line of Sight (or Alignment) project aims to simplify the public spending and reporting system. Further details can be found in the Research Service Quick Guide: [Simplifying Government Finance: The Alignment project and how it will impact on Wales](#) (July 2010). [accessed 11 February 2013]

The Autumn Statement 2012 (AS2012)²⁵ gave rise to £227 million capital consequentials over three years: £2.7 million in 2012-13, £92.3 million in 2013-14 and £132 million in 2014-15. The £2.7 million for the current financial year is transferred via this supplementary budget (as can be seen from [table 6](#)).

In relation to revenue consequentials the AS2012 suggests that Wales will receive £16.7 million in 2013-14. However, in her response to the AS 2012, the Minister stated:

... the revenue totals include a Barnett consequential for an extension to the Small Business Rate Relief Scheme. The Welsh Government has previously called for an extension to this scheme. If we choose, as we have done previously, to participate in the UK level scheme we will forego the consequential. If this adjustment is taken into account the overall picture in 2013-14 is a revenue decrease of £6.389m.²⁶

According to a recent statement by the Minister for Business, Enterprise, Technology and Science (Edwina Hart, AM) the Welsh Government have indeed decided to extend the Small Business Rates Relief Scheme into 2013-14.²⁷ Therefore, this revenue consequential is likely to be reduced, as suggested above.

3.2. Carry forward under budget exchange

As can be seen from [table 6](#), the actually amount carried forward into 2012-13 under BES is £93.1 million: £82.5 million revenue and £10.6 million capital. This is within the BES caps of 0.6% and 1.5% of the revenue and capital DEL budgets, respectively.

As shown in the outturn report for 2011-12,²⁸ the reserves remaining following the second supplementary budget 2011-12 were: £56.8 million fiscal revenue DEL. Of this £28.2 million was allocated in the Final Budget 2012-13²⁹ and a further £4.8 million was allocated in the first supplementary budget 2012-13.³⁰ However, as at July 2012, the baseline adjustments had not been made. In addition to this there were underspends meaning the total available for carry over into 2012-13 was around £93 million.³¹ Thus, it would appear that this supplementary budget makes these baseline adjustments to account for the entire £93 million. This carry forward is actioned via the central reserves (as shown in [table 7](#)).

²⁵ HM Treasury, [Autumn Statement 2012](#), 5 December 2012 [accessed 18 February 2013]

²⁶ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Welsh Government Response to the Chancellor of the Exchequer's Autumn Statement](#), Cabinet Written Statement, 5 December 2012. [accessed 11 February 2013]

²⁷ Welsh Government, Edwina Hart, (Minister for Business, Enterprise, Technology and Science), [Small Business Rates Relief](#), Cabinet Written Statement, 15 January 2013. [accessed 11 February 2013]

²⁸ Welsh Government, [Outturn Report 2011-12](#), August 2012. [accessed 11 February 2013]

²⁹ As detailed in Research Service paper: [Final Budget 2012-13](#), December 2011 (page 6) [accessed 14 February 2013]

³⁰ As detailed in Research Service paper: [Supplementary Budget 2012-13](#), June 2012 (page 18) [accessed 14 February 2012]

³¹ Welsh Government, [Outturn Report 2011-12](#), August 2012. [accessed 11 February 2013]

At Final Budget 2013-14,³² it was stated that £20 million will be carried forward to each of the 2013-14 and 2014-15 financial years, to replace the allocation from reserves in relation to apprenticeships. The narrative accompanying this supplementary budget states that in addition to this £40 million, it is also intended to carry forward £19 million revenue from 2012-13 into 2013-14 in relation to council tax support, and £50 million capital in support of the Wales Infrastructure Investment Plan.³³ This would mean a total carry forward of £109 million (£59 million fiscal revenue and £50 million capital) into 2013-14 from the 2012-13 financial year. Following this supplementary budget, the reserves remaining are £61.7 million fiscal revenue, £46.4 million non-fiscal revenue and £50 million capital.

The narrative document accompanying the supplementary budget states that:

Under the Budget Exchange System, the agreed cap for Capital DEL budget is £20m in 2012-13. However, this year, we have agreed with the UK Government to carry forward up to an additional £50m, over and above the agreed cap. Of the Capital DEL Reserves figure, the Welsh Government plans to carry forward £50m under the Budget Exchange System (BES). Any further unused Reserves or underspends in 2012-13, will be carried forward up to the agreed cap under the BES.³⁴

3.3. Transfers between revenue and capital

The supplementary budget makes a baseline adjustment of £113.9 million for a transfer of revenue to capital. There are also a number of transfers between revenue and capital within MEGs as follows:

- Health, Social Services and Children: £42 million from capital to revenue;
- Business, Enterprise, Technology and Science: £22 million from revenue to capital;
- Education and Skills: £12 million revenue to capital;
- Environment and Sustainable Development: £4.75 million revenue to capital;
- Housing, Regeneration and Heritage: £3.9 million revenue to capital; and
- Central Services and Administration: £1.6 million revenue to capital.

As these switches have occurred within MEGs, the impact to the overall DEL budget within each MEG is zero (a reduction offset by a corresponding increase). However, when these are totalled and the overall net impact is considered, there is an overall balance of £2.25 million. This is due to a total of £44.25 million being

³² As detailed in research Service paper: [Final Budget 2013-14](#), November 2012 (page 36) [accessed 14 February 2013]

³³ Welsh Government, [Supplementary Budget 2012-13 Narrative](#), February 2013 (page 14) [accessed 11 February 2013]

³⁴ Welsh Government, [Supplementary Budget 2012-13 Narrative](#), February 2013 (footnote to Table 1.1, page 3) [accessed 11 February 2013]

transferred from revenue to capital within MEGs, offset by the £42 million capital to revenue switch within the Health, Social Services and Children MEG.

Therefore, to account for this in making the baseline adjustment, the £113.9 million is adjusted to £111.6 million when transferred through reserves, (as shown in [table 7](#)) to allow for this balance.

In her statement of January 2013 on additional capital allocations (see [section 4.1](#)), the Minister stated that this would be part-funded by the transfer of £70 million from revenue to capital.³⁵

³⁵ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Capital Allocations](#), Cabinet Statement, 15 January 2013.[accessed 11 February 2013]

4. Movements on reserves

This supplementary budget also shows a number of movements on reserves, as detailed in [table 7](#). In comparison to the previous supplementary budget 2012-13:

- Revenue reserves have reduced by £41.9 million, this is the net result of:
 - a reduction of £4.9 million as a result of baseline adjustments;
 - allocations from reserves of £66.3 million to Welsh Government departments; and
 - transfers into reserves of £29.3 million from Welsh Government departments.
- Capital reserves have increased by £44.6 million, this is the net result of:
 - an increase of £128.5 million as a result of baseline adjustments;
 - allocations from reserves of £103 million to Welsh Government departments; and
 - transfers into reserves of £19 million from Welsh Government departments.

Following these movements, the **fiscal revenue reserve is £61.7 million**, the **non fiscal reserve is £46.4 million**, and the **capital reserve is £50 million**. This is the remaining unallocated reserve to deal with any pressures prior to the end of the 2012-13 financial year.

As noted in [section 3.2](#), it is intended that £109 million (£59 million fiscal revenue and £50 million capital) will be carried forward into 2013-14 from the 2012-13 financial year, as well as any further remaining reserves at the year end.

The narrative accompanying the supplementary budget provides an annex detailing the recurrent implications of allocations made from reserves which will impact in future years.³⁶ This indicates that recurrent allocations commit a further £32.8 million from reserves in 2013-14 and £14.7 million in 2014-15.

³⁶ Welsh Government, [Supplementary Budget 2012-13 Narrative](#), February 2013 (Annex 2, page 55) [accessed 11 February 2013]

Table 7: Movement on Reserves

Revenue Reserve	Fiscal £ millions	Non fiscal £ millions	Capital Reserve	Capital £ millions
Reserve at Supplementary Budget 2012-13 (Jun 2012)	81.9	68.1	Reserve at Supplementary Budget 2012-13 (Jun 2012)	5.4
Baseline adjustments:	-43.7	38.8	Baseline adjustments:	128.5
Transfers with UK Government	0.8	23.4	Transfers with UK Government	6.4
Carry forward under Budget Exchange	67.1	15.4	Carry forward under Budget Exchange	10.6
Revenue to capital switch ¹	-111.6		Revenue to capital switch ¹	111.6
Allocations to Welsh Government MEGS:	-4.1	-62.2	Allocations to Welsh Government MEGS:	-103.0
BETS: Business Rates Relief	-0.8		Capital allocations announced January 2013	-91.5
LGC: Welfare Reform advice services	-0.2		Centrally retained capital allocations	-7.8
LGC: Council Tax Support	-2.0		BETS: from DCMS for Next Generation Broadband	-3.7
LGC: Road impairments		-31.3		
BETS: Fibrespeed infrastructure assets		-0.5		
BETS: Customer Relationship Management database		-0.3		
BETS: depreciation for PIMMS		-1.4		
E&S: Adjustment to student loans		-25.0		
HRH: depreciation for social housing		-0.4		
CSA: depreciation and impairments		-3.0		
BETS: Welsh fisheries and aquaculture		-0.0		
ESD: Protecting and improving animal health and welfare		-0.1		
ESD: Evidence base		-0.0		
HRH: transfer from HM Treasury re Coastal Communities Fund	-1.2			
Transfers from Welsh Government MEGS:	27.6	1.7	Transfers from Welsh Government MEGS:	19.0
ESD: Wind farm income	1.3		BETS: repayments from Finance Wales	15.5
CSA: unallocated targeted match funding	4.0			
CSA: savings from prior year staff severance	22.0		ESD: adjustments to Waste Management Programme	3.5
LGC: to transfer to UK Government re Fire fighters pension Fund	0.3			
ESD: transfer to DEFRA re depreciation	0.0	1.7		
Reserve remaining at Supplementary Budget 2012-13 (Feb 2013)	61.7	46.4	Reserve remaining at Supplementary Budget 2012-13 (Feb 2013)	50.0

Source: Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

- Note that this is the £113.856m baseline adjustment offset by the £2.25m net impact of the in-MEG transfers.

4.1. Capital allocations

In January this year, the Minister announced a package of capital allocations amounting to £91.5 million.³⁷ These allocations are affected through this supplementary budget and are shown in [table 8](#).

Table 8: Capital allocations announced January 2013

Project	£ millions 2012-13
Health Social Services and Children	5.0
Health Technologies Fund	5.0
Local Government and Communities	11.5
Improvements to Abercynon Roundabout on A470	0.9
Improvements on A470 Maes y Helmau to Cross Foxes	3.5
A470 Gelligemlyn section	1.5
Resurfacing A55 from Puffin Roundabout to Penmaenbach	1.5
Other road and rail improvement schemes	4.1
Education and Skills	40.0
Transitional Projects	17.5
21st Century Schools Projects	20.2
Repair and maintenance programmes in local authorities and HE sector	2.3
Environment and Sustainable Development	5.0
Flood and coastal risk management schemes	5.0
Housing, Regeneration and Heritage	30.0
Social Housing Grant	29.0
Independent Living Grant	1.0
Total	91.5

Source: Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

In addition to these, the supplementary budget makes further allocations to centrally retained capital (CRC) projects as shown in [table 9](#), together with the allocations made at the first supplementary budget 2012-13 and in the draft budget 2013-14.

Following the first supplementary budget in June 2012, there was £7.7 million remaining to be allocated to phase 2 CRC projects in the 2012-13 financial year.³⁸ Before Finance Committee in July 2012³⁹ the Minister stated that the business cases for these projects had not yet been confirmed and allocations would be made in subsequent budgets. As can be seen from [table 9](#), these allocations are made in this supplementary budget. Together with the allocations made in the

³⁷ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Capital Allocations](#), Cabinet Statement, 15 January 2013.[accessed 11 February 2013]

³⁸ For further details see Research Service paper: [Supplementary Budget 2012-13 \(June 2012\)](#), July 2012.[accessed 11 February 2013]

³⁹ National Assembly for Wales, Finance Committee, [RoP 4 July 2012](#).[accessed 11 February 2013]

first supplementary budget, this means a total of £52 million has been allocated via CRC in 2012-13, with a further £51.8 million already allocated in 2013-14.

Table 9: Centrally retained capital allocations

Project details	First Supplementary Budget 2012-13 (June 2012) £ millions	Second Supplementary Budget 2012-13 (Feb 2013) £ millions	Draft Budget 2013-14 £ millions
PHASE 1 CRC PROJECTS			
Local Government and Communities	3.9	0.0	3.9
A470 Maes yr Helmau to Cross Foxes improvement	1.9		1.9
A470 Gelligemlyn	2.0		2.0
Business, Enterprise, Technology and Science	2.9	0.0	2.7
Online Services for Rural Payments	2.9		2.7
Housing, Regeneration and Heritage	1.5	0.0	1.5
Merthyr Tydfil Old Town Hall	1.5		1.5
Total Phase 1	8.3	0.0	8.1
PHASE 2 CRC PROJECTS			
Health, Social Services and Children	8.6	3.0	5.0
Wrexham Ambulance Resource Centre	2.7	0.0	0.0
Cardiff Royal Infirmary	5.9	0.0	2.0
Flying Start	0.0	3.0	3.0
Local Government and Communities	6.3	0.0	5.4
Welsh National Traffic Data System	4.0	0.0	3.0
M4 Junction 32 Coryton Improvement Scheme	0.4	0.0	1.7
Welsh National Winter Maintenance Resilience Project: Road Salt Storage	1.9	0.0	0.7
Business, Enterprise, Technology and Science	0.0	0.0	10.0
Next Generation Broadband	0.0	0.0	10.0
Education and Skills	9.0	4.8	18.3
Gateway to the Valleys	2.0	0.0	2.1
Rationalisation of secondary school estate in Carmarthenshire	7.0	0.0	7.0
Anglesey - Ysgol y Bont project	0.0	2.8	4.7
Merthyr Learning Quarter	0.0	0.0	3.0
North Wales Welsh Medium School	0.0	2.0	1.5
Environment and Sustainable Development	2.0	0.0	0.0
Flood and Coastal Erosion Management projects: reduce risk to vulnerable premises in Colwyn Bay and Borth regions	2.0	0.0	0.0
Housing, Regeneration and Heritage	10.0	0.0	5.0
Houses Into Homes initiative	5.0	0.0	
West Rhyl Housing Regeneration project	5.0	0.0	5.0
Total Phase 2	35.9	7.8	43.7
Total CRC allocations	44.2	7.8	51.8

Source: Welsh Government [Budgets](#)

The first supplementary budget 2012-13 allocated £44 million in relation to projects within the Wales Infrastructure investment Plan (WIIP).⁴⁰ However, it did not make allocations in relation to:

- Welsh Mortgage Guarantee Scheme – although this involves no direct funding, it would need to be provided for in the budget. Provisions would have to be scored in AME for the cost of defaults in the year scheme begins; actual defaults would then be scored in capital DEL in the year they actually occur.
- Welsh Housing Bond – for which £4 million per year was committed over four years.

In July 2012, the Minister stated that both of these were still in development and allocations would be reflected in subsequent budget.⁴¹ According to the Welsh Government's website, work on New Buy Cymru (the mortgage guarantee scheme) is still underway.⁴²

⁴⁰ As detailed in Research Service paper: [Supplementary Budget 2012-13](#), June 2012 (page 22) [accessed 14 February 2012]

⁴¹ National Assembly for Wales, Finance Committee, [RoP 4 July 2012](#). [accessed 11 February 2013]

⁴² Welsh Government, Housing and Community, [NewBuy Cymru](#), 4 February 2013. [accessed 11 February 2013]

5. Transfers between MEGs

This supplementary budget makes a number of transfers between MEGs, which are detailed in [table 10](#). The net impact of these transfers is zero overall.

In addition to these transfers there is a re-structuring of the Housing, Regeneration and Heritage MEG budget, to bring it into line with the structure adopted at the Final Budget 2013-14. A reconciliation of the changes involved in this re-structuring is provided in the narrative accompanying this supplementary budget.⁴³

There have also been a number of transfers within MEGs at this supplementary budget, including the transfers between revenue and capital discussed in [section 3.3](#). These transfers are discussed in the following sections in relation to each MEG.

⁴³ Welsh Government, [Supplementary Budget 2012-13 Narrative](#), February 2013 (Annex 3, page 56) [accessed 11 February 2013]

Table 10: Transfers between MEGs

From	£000s	To	£000s	Description
REVENUE TRANSFERS				
Health, Social Services and Children (HSSC)				Net movement: 9,013
CSA: Invest-to-Save	-9,745	HSSC: Delivery of Targeted NHS Services	9,745	To support a variety of Invest-to-Save schemes. Comprises £13,830k in support of on-going schemes from the Invest-to-Save action, offset by £4,085k in savings from previous schemes into the Invest-to-Save action.
HSSC: Delivery of Targeted NHS Services	-732	E&S: Post 16 Learner Support	732	To cover non-fiscal charges associated with graduate entry medical and dental students access to tuition fee loans.
Local Government and Communities (LGC)				Net movement: -150
LGC: Funding Support for Local Government	-150	BETS: Meeting the needs of rural communities and rural proofing WAG actions	150	Transfers below £250,000 are not detailed.
Business, Enterprise, Technology and Science (BETS)				Net movement: -2,037
BETS: Sectors	-1,258	CSA: International Development	1,258	Programme costs for the international offices in China, Japan, India, Dubai and USA. £1,000k from Invest-to-Save action in CSA to support Round IV funding for public sector broadband projects, and £1,929 to Invest-to-Save action in CSA for repayments of previous rounds of funding.
BETS: Deliver ICT Infrastructure	-929	CSA: Invest-to-Save	929	
LGC: Funding Support for Local Government	-150	BETS: Meeting the needs of rural communities and rural proofing WAG actions	150	Transfers below £250,000 are not detailed.
Education and Skills (ES)				Net movement: 642
HSSC: Delivery of Targeted NHS Services	-732	E&S: Post 16 Learner Support	732	To cover non-fiscal charges associated with graduate entry medical and dental students access to tuition fee loans.
E&S: Employment and Skills	-90	HRH: Support and sustain a strong arts sector via the Arts Council and others	90	Transfers below £250,000 are not detailed.
Environment and Sustainable Development (ESD)				Net movement: 2,549
CSA: Invest-to-Save	-2,549	ESD: Sponsor and manage delivery bodies	2,549	To help integrate systems and support transitional costs for Natural Resources Wales.
Housing, Regeneration and Heritage (HRH)				Net movement: 1,911
CSA: Match funding	-2,000	HRH: Increase the supply and choice of housing	2,000	Additional funding for social housing.
HRH: Policy development and implementation	-179	CSA: Tribunals	179	Transfers below £250,000 are not detailed.
E&S: Employment and Skills	-90	HRH: Support and sustain a strong arts sector via the Arts Council and others	90	Transfers below £250,000 are not detailed.
Central Services and Administration (CSA)				Net movement: -11,928
CSA: Invest-to-Save	-9,745	HSSC: Delivery of Targeted NHS Services	9,745	To support a variety of Invest-to-Save schemes. Comprises £13,830k in support of on-going schemes from the Invest-to-Save action, offset by £4,085k in savings from previous schemes into the Invest-to-Save action.
BETS: Sectors	-1,258	CSA: International Development	1,258	Programme costs for the international offices in China, Japan, India, Dubai and USA. £1,000k from Invest-to-Save action in CSA to support Round IV funding for public sector broadband projects, and £1,929 to Invest-to-Save action in CSA for repayments of previous rounds of funding.
BETS: Deliver ICT Infrastructure	-929	CSA: Invest-to-Save	929	
CSA: Invest-to-Save	-2,549	ESD: Sponsor and manage delivery bodies	2,549	To help integrate systems and support transitional costs for Natural Resources Wales.
CSA: Match funding	-2,000	HRH: Increase the supply and choice of housing	2,000	Additional funding for social housing.
HRH: Policy development and implementation	-179	CSA: Tribunals	179	Transfers below £250,000 are not detailed.
CAPITAL TRANSFERS				
Health, Social Services and Children (HSSC)				Net movement: 176
CSA: Invest-to-Save	-176	HSSC: NHS Delivery	176	Transfers below £250,000 are not detailed.
Central Services and Administration (CSA)				Net movement: -176
CSA: Invest-to-Save	-176	HSSC: NHS Delivery	176	Transfers below £250,000 are not detailed.
Total movement between MEGs	-35,616		35,616	Net movement: Zero

 Source: Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

6. Health, Social Services and Children (HSSC)

Table 11 summarises changes at the SPA levels in the HSSC MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the HSSC MEG⁴⁴:

- Shows the largest cash increase in TME of £141.4 million, or 2.2%.
- This consists of a £17.2 million (0.3%) increase in total DEL, and a £124.2 million (61.6%) increase in AME.
- The change in total DEL comprises an increase of £51 million (0.8%) in revenue DEL and a decrease of £33.8 million (12.9%) in capital DEL.

The £51 million increase in revenue DEL comprises:

- A net increase of £9 million as a result of transfers with other MEGs, as shown in [table 10](#); and
- An increase of £42 million as a result of capital to revenue transfers within the MEG, as shown in [table 12](#).

The £33.8 million reduction in capital DEL comprises:

- Allocations of £8 million from capital reserves:
 - £5 million in relation to the Health Technologies Fund, as shown in [table 8](#); and
 - £3 million in relation to CRC projects, as shown in [table 9](#);
- An increase of £0.2 million as a result of transfers with other MEGs, as shown in [table 10](#); and
- A decrease of £42 million as a result of capital to revenue transfers within the MEG, as shown in [table 12](#).

The £124.2 million increase in AME reflects changes to the latest forecasts for provisions and impairments related to the NHS.

In addition to these changes, there have been a number of internal transfers within the HSSC MEG; these are shown at action⁴⁵ level in [table 12](#). The net impact of these transfers is a £42 million reduction in capital, with a corresponding increase in revenue, as detailed above.

⁴⁴ Figures may not add to totals exactly, due to rounding.

⁴⁵ **Action** – the Welsh Government’s budget is broken down into several levels of detail for monitoring and control purposes. Actions are the most detailed level published in the budget documentation and indicate policy or initiative areas. However, it should be noted that actions may not necessarily provide detail of allocations at the level of specific policy or programmes.

Table 11: Changes to HSSC allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
NHS Delivery	5,491,962	5,505,426	13,464	0.2	5,565,029	73,067	1.3	59,603	1.1
Health Central Budgets	205,374	227,920	22,546	11.0	221,612	16,238	7.9	-6,308	-2.8
Public Health & Prevention	157,548	157,071	-477	-0.3	154,031	-3,517	-2.2	-3,040	-1.9
Social Services	182,104	181,475	-629	-0.3	181,706	-398	-0.2	231	0.1
CAFCASS Cymru	9,635	9,635	0	0.0	10,162	527	5.5	527	5.5
TOTAL REVENUE	6,046,623	6,081,527	34,904	0.6	6,132,540	85,917	1.4	51,013	0.8
CAPITAL DEL									
NHS Delivery	230,279	245,699	15,420	6.7	215,875	-14,404	-6.3	-29,824	-12.1
Health Central Budgets	0	5,690	5,690	..	5,690	5,690	..	0	0.0
Public Health & Prevention	5,039	5,039	0	0.0	-1,961	-7,000	-138.9	-7,000	-138.9
Social Services Strategy	5,285	5,285	0	0.0	8,285	3,000	56.8	3,000	56.8
TOTAL CAPITAL	240,603	261,713	21,110	8.8	227,889	-12,714	-5.3	-33,824	-12.9
AME									
NHS Impairments and Provisions	181,780	201,710	19,930	11.0	325,896	144,116	79.3	124,186	61.6
TOTAL AME	181,780	201,710	19,930	11.0	325,896	144,116	79.3	124,186	61.6
Revenue DEL	6,046,623	6,081,527	34,904	0.6	6,132,540	85,917	1.4	51,013	0.8
Capital DEL	240,603	261,713	21,110	8.8	227,889	-12,714	-5.3	-33,824	-12.9
TOTAL DEL	6,287,226	6,343,240	56,014	0.9	6,360,429	73,203	1.2	17,189	0.3
Annually Managed Expenditure	181,780	201,710	19,930	11.0	325,896	144,116	79.3	124,186	61.6
TOTAL HSSC	6,469,006	6,544,950	75,944	1.2	6,686,325	217,319	3.4	141,375	2.2

Source: Research Service calculations from Welsh Government [Budgets](#)

Table 12: Transfers within HSSC MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
NHS Delivery		-35,000	Delivery of Core Services	35,000		Capital to revenue transfer to part fund the £82m package of funding for health boards
Delivery of Targeted Services	-28,600		Delivery of Core Services	28,600		From contingency reserve to part fund the £82m package of funding for health boards
Delivery of Targeted Services	-5,019		Delivery of Core Services	5,019		Adjustments to the baseline NHS allocation
Support Mental Health Policies and Legislation	-1,400		Delivery of Core Services	1,400		In respect of the Mental Health Measure
Deliver Targeted Health Protection and Immunisation Activity	-614		Delivery of Core Services	614		In respect of immunisation costs into the General Medical Services allocation
Delivery of Targeted Services	-293		Delivery of Core Services	293		Transfer of funding from NHS Wales Shared Services Partnership back to core health board allocations
Unknown	-263		Delivery of Core Services	263		Not detailed, so likely due to transfers less than £250,000
Hospice Support	-500		Delivery of Targeted Services	500		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Support Education and Training of the NHS Workforce	-4,527		Delivery of Targeted Services	4,527		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Deliver the Substance Misuse Strategy Implementation Plan	-350		Delivery of Targeted Services	350		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Deliver Targeted Health Protection and Immunisation Activity	-1,901		Delivery of Targeted Services	1,901		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Promote Healthy Improvement and Health Working	-2,040		Delivery of Targeted Services	2,040		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Tackle Health Inequalities and Develop Partnership Working Arrangements	-975		Delivery of Targeted Services	975		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Effective Health Emergency Preparedness Arrangements	-1,191		Delivery of Targeted Services	1,191		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Develop and Implement Research and Development for patient and Public Benefit	-3,900		Delivery of Targeted Services	3,900		Reflecting identified savings and efficiencies to part fund the £82m package of funding for health boards
Delivery of Targeted Services	-527		CAFCASS Cymru Programmes	527		CAFCASS staff costs
Delivery of Targeted Services	-650		Support Mental Health policies and Legislation	650		In respect of the Mental Health Measure
Delivery of Targeted Services	-763		Sponsorship of Public Health Bodies	763		Programme Management Unit (PMU) costs into public Health Wales allocation
Delivery of Targeted Services	-131		Unknown	131		Transfers less than £250,000 are not detailed
Support Education and Training of the NHS Workforce	-100		Unknown	100		Transfers less than £250,000 are not detailed
Support Mental Health Policies and Legislation	-81		Unknown	81		Transfers less than £250,000 are not detailed
Unknown	-18		Sponsorship of Public Health Bodies	18		Transfers less than £250,000 are not detailed
Food Standards Agency	-200		Unknown	200		Transfers less than £250,000 are not detailed
Deliver Targeted Health Protection and Immunisation Activity	-1,691		Effective Health Emergency Preparedness Arrangements	1,691		Relating to merger of Pandemic Flu budgets
Effective Health Emergency Preparedness Arrangements		-7,000	Effective Health Emergency Preparedness Arrangements	7,000		Revenue to capital switch to fund accounting treatment for expiry of pandemic flu drugs
Social Services Strategy	-650		Children's Social Services	650		For vulnerable children
Unknown	-231		Care Council for Wales	231		Transfers less than £250,000 are not detailed
Total transfers	-56,615	-42,000		98,615	0	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

7. Local Government and Communities (LGC)

Table 13 summarises changes at the SPA levels in the LGC MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the LGC MEG⁴⁶:

- Shows an increase in TME of £44.5 million, or 0.9%.
- This consists entirely of a £44.5 million (0.9%) increase in total DEL.
- The change in total DEL comprises an increase of £33 million (0.7%) in revenue DEL and an increase of £11.5 million (4.3%) in capital DEL.

The £33 million increase in revenue DEL comprises:

- Allocations from revenue reserves of £33.5 million, as shown in **table 7**;
 - £2 million in respect of Council Tax support to the *Funding Support for Local Government* action;
 - £31.3 million to the *Improve and Maintain Local Roads – Non cash* action, relating to road impairments; and
 - £0.2 million to the *Financial Inclusion* action for advice services on benefits entitlements as a result of Welfare Reform;
- A net decrease of £0.5 million as a result of transfers out of the MEG:
 - £0.3 million transferred out of the *Fire and Rescue Services resilience* action (via reserves) to HM Treasury to fund increased levels of pension contributions for Fire Fighter Pension Schemes (as shown in tables **6** and **7**); and
 - £0.2 million reduction as a result of a transfer out to the BETS MEG, as shown in **table 10**.

The £11.5 million increase in capital DEL comprises:

- Allocations of £11.5 million from capital reserves for a range of road and rail projects, as shown in **table 8**;
 - £8.5 million to the *Motorway and Trunk Road Operations* action; and
 - £3 million to the *Road and Rail Schemes* action.

There has been a reduction of £4.6 million in the AME associated with *the Funding Support for Local Government* action in relation to Fire Service pensions. However, this has been used against anticipated increases in impairments in the

⁴⁶ Figures may not add to totals exactly, due to rounding.

Motorway and Trunk Road Operations action. Therefore, overall there is no change to the AME in the LGC MEG.

In addition to these changes, there have been a number of internal transfers within the LGC MEG; these are shown at action level in [table 14](#). The net impact of these transfers is zero overall.

Table 14: Transfers within LGC MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Communities First	-2,389		Motorway and Trunk Road Operations	2,389		Savings due to transition to new Communities First programme. Allocated to improve the condition of the road network.
Communities First	-61		Funding Support for Local Government	61		Transfers less than £250,000 are not detailed
Financial Inclusion Action	-338		Motorway and Trunk Road Operations	338		Result of anticipated projects not progressing. Allocated to improve the condition of the road network.
Financial Inclusion Action	-793		Rail and Air Services	793		Result of anticipated projects not progressing. Allocated to rail strengthening project
Third Sector	-908		Rail and Air Services	908		As a result of project delays and recovery of funding. Allocated to rail strengthening project
Fire and Rescue Services Resilience	-732		Rail and Air Services	732		Result of delays to some Fire and Rescue Service initiatives. Allocated to rail strengthening project
Fire and Rescue Services National Framework	-430		Rail and Air Services	430		Result of underspends. Allocated to rail strengthening project
Youth Justice	-183		Rail and Air Services	183		Transfers less than £250,000 are not detailed
Local Government Improvement	-763		Rail and Air Services	763		Due to reduced payments on Outcome Agreements. Allocated to rail strengthening project
Local Government Improvement	-1,103		Sustainable Travel	1,103		Due to reduced payments on Outcome Agreements. Allocated for bus service transition costs and concessionary fares accounting effects
Supporting Collaboration and Reform	-604		Sustainable Travel	604		Due to delays in recruitment. Allocated for bus service transition costs and concessionary fares accounting effects
Care and Social Services Inspectorate	-2,306		Sustainable Travel	2,306		Due to delays in recruitment. Allocated for bus service transition costs and concessionary fares accounting effects
Estyn	-2,403		Sustainable Travel	2,403		Result of efficiency savings. Allocated for bus service transition costs and concessionary fares accounting effects
Community Development		-1,000	Road and Rail Schemes		1,000	Available as result of delays to Communities Facilities projects. Allocated to road construction projects
Fire and Rescue Services Resilience		-228	Road and Rail Schemes		228	Transfers less than £250,000 are not detailed
Domestic Abuse		-400	Road and Rail Schemes		400	Allocated to road construction projects
Estyn		-165	Road and Rail Schemes		165	Transfers less than £250,000 are not detailed
Motorway and Trunk Road Operations		-1,508	Road and Rail Schemes		1,508	Available as a result of project delays. Allocated to road construction projects
Sustainable Travel		-11,540	Road and Rail Schemes		11,540	Due to concessionary fares accounting requirements and project savings. Allocated to road construction projects
Sustainable Travel		-1,191	Improve and Maintain Local Roads Infrastructure		1,191	Due to concessionary fares accounting requirements and project savings. Allocated for additional projects.
Total transfers	-13,013	-16,032		13,013	16,032	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

Table 13: Changes to LGC allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
Local Government Funding	4,240,114	4,239,269	-845	-0.0	4,241,180	1,066	0.0	1,911	0.0
Supporting Communities and People	53,227	53,963	736	1.4	49,687	-3,540	-6.7	-4,276	-7.9
Safer Communities	44,026	16,551	-27,475	-62.4	14,878	-29,148	-66.2	-1,673	-10.1
Improving Services, Collaboration and Democracy	41,896	41,896	0	0.0	39,426	-2,470	-5.9	-2,470	-5.9
Care & Social Services Inspectorate	15,190	15,190	0	0.0	12,884	-2,306	-15.2	-2,306	-15.2
Healthcare Inspectorate Wales	2,722	2,722	0	0.0	2,722	0	0.0	0	0.0
Estyn	12,968	12,968	0	0.0	10,565	-2,403	-18.5	-2,403	-18.5
Motorway and Trunk Road Network Operations	168,951	168,951	0	0.0	202,987	34,036	20.1	34,036	20.1
Rail & Air Services	173,971	173,971	0	0.0	177,780	3,809	2.2	3,809	2.2
Sustainable Travel	84,091	95,091	11,000	13.1	101,507	17,416	20.7	6,416	6.7
Improve Road Safety	5,716	5,716	0	0.0	5,716	0	0.0	0	0.0
TOTAL REVENUE	4,842,872	4,826,288	-16,584	-0.3	4,859,332	16,460	0.3	33,044	0.7
CAPITAL DEL									
Local Government Funding	20,000	20,000	0	0.0	20,000	0	0.0	0	0.0
Supporting Communities and People	14,774	14,774	0	0.0	13,774	-1,000	-6.8	-1,000	-6.8
Safer Communities	8,529	3,339	-5,190	-60.9	2,711	-5,818	-68.2	-628	-18.8
Estyn	315	315	0	0.0	150	-165	-52.4	-165	-52.4
Motorway and Trunk Road Operations	46,366	55,366	9,000	19.4	62,358	15,992	34.5	6,992	12.6
Road & Rail Investment	92,794	96,694	3,900	4.2	114,535	21,741	23.4	17,841	18.5
Sustainable Travel	43,826	43,826	0	0.0	31,095	-12,731	-29.0	-12,731	-29.0
Improve and Maintain Local Roads Infrastructure	28,137	28,137	0	0.0	29,328	1,191	4.2	1,191	4.2
Improve Road Safety	6,900	6,900	0	0.0	6,900	0	0.0	0	0.0
TOTAL CAPITAL	261,641	269,351	7,710	2.9	280,851	19,210	7.3	11,500	4.3
AME									
Local Government Funding	20,717	20,717	0	0.0	16,152	-4,565	-22.0	-4,565	-22.0
Improve Domestic Connectivity (Regional & National)	43,597	30,668	-12,929	-29.7	35,233	-8,364	-19.2	4,565	14.9
TOTAL AME	64,314	51,385	-12,929	-20.1	51,385	-12,929	-20.1	0	0.0
Revenue DEL	4,842,872	4,826,288	-16,584	-0.3	4,859,332	16,460	0.3	33,044	0.7
Capital DEL	261,641	269,351	7,710	2.9	280,851	19,210	7.3	11,500	4.3
TOTAL DEL	5,104,513	5,095,639	-8,874	-0.2	5,140,183	35,670	0.7	44,544	0.9
Annually Managed Expenditure	64,314	51,385	-12,929	-20.1	51,385	-12,929	-20.1	0	0.0
TOTAL LGC	5,168,827	5,147,024	-21,803	-0.4	5,191,568	22,741	0.4	44,544	0.9

Source: Research Service calculations from Welsh Government [Budgets](#)

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

Table 15 summarises changes at the SPA levels in the BETS MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the BETS MEG⁴⁷:

- Shows a decrease in TME of £32.2 million, or 10.2%.
- This consists of a £10.8 million (3.9%) decrease in total DEL, and a £21.4 million (51.7%) decrease in AME.
- The change in total DEL comprises a decrease of £21 million (11.9%) in revenue DEL and an increase of £10.2 million (10.4%) in capital DEL.

The £21 million decrease in revenue DEL comprises:

- Allocations from reserves of £3.1 million, as shown in **table 7**;
 - £0.8 million to the *Sectors* action in relation to Business Rates Relief;
 - £2.3 million in respect of depreciation charges following a review of non fiscal revenue requirements in the BETS MEG; including;
 - £0.5 million to the *Delivery ICT Infrastructure – Non cash* action in relation to fibrespeed infrastructure assets;
 - £0.3 million to the *Corporate Programmes – Non cash* action for the Customer Relationship Management database;
 - £1.4 million to the *Manage Delivery of Structural Fund Programmes in Wales – Non cash* action for the Programme Information Management and Monitoring System (PIMMS); and
 - £23,000 to the *Developing, managing and enforcing Welsh Fisheries and Aquaculture – Non cash* action for capital assets relating to existing fisheries vessels;⁴⁸
- A net decrease of £2 million as a result of transfers with other MEGs, as shown in **table 10**; and
- A reduction of £22 million as a result of revenue to capital transfers within the MEG, as shown in **table 16**.

⁴⁷ Figures may not add to totals exactly, due to rounding.

⁴⁸ National Assembly for Wales, Environment and Sustainability Committee, *E&S(4)-06-13 paper 2, Paper from the Deputy Minister for Agriculture, Fisheries, Food and European Programmes*, February 2013 [no link available at time of writing]

The £10.2 million increase in capital DEL comprises:

- Transfer out to reserves of £15.5 million, as shown in [table 7](#), from the *Finance Wales* action for in year loan repayments on borrowings of Finance Wales plc;
- Transfer in of £3.7 million from the UK Government’s Department of Culture, Media and Sport (DCMS) via reserves, to the *Deliver ICT Infrastructure* action for the Next Generation Broadband Wales project, as shown in [tables 6 and 7](#); and
- An increase of £22 million as a result of revenue to capital transfers within the MEG, as shown in [table 16](#).

The £21.4 million decrease in AME reflects reduced requirements for charges such as impairments on property, joint ventures and investments as property values have stabilised.

In addition to these changes, there have been a number of internal transfers within the BETS MEG; these are shown at action level in [table 16](#). The net impact of these transfers is a £22 million reduction in revenue, with a corresponding increase in capital, as detailed above.

Table 16: Transfers within BETS MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Innovation	-1,332		Science	1,332		For Science Agenda as result of reprofiling implementation of Innovation strategy and National Science Academy Programme
Delivering the programmes within the Rural Development Plan	-20,295		Sectors		20,295	Following re-profiling of Axis 2 and 3 programmes. For delivery of strategic investments.
Meeting the needs of rural communities and rural proofing WAG actions	-1,705		Meeting the needs of rural communities and rural proofing WAG actions		1,705	For Young Entrants Support Scheme (capital grant)
Legacy SIF		-24,526	Sectors		24,526	Reflecting tapering commitments for legacy projects. For delivery of strategic investments
Finance Wales		-1,500	Sectors		1,500	Following early repayment for commitment under JEREMIE project. For deliver of strategic investments
Deliver ICT Infrastructure		-7,000	Sectors		7,000	Due to delay in spend on Next Generation Broadband UK project. For strategic investments
Total transfers	-23,332	-33,026		1,332	55,026	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

With respect to the transfer of £20.3 million from the Rural Development Plan action, this has been re-profiled and allocated to meet other priorities within the portfolio, as detailed in the Deputy Minister’s paper to the Environment and Sustainability Committee.⁴⁹

⁴⁹ National Assembly for Wales, Environment and Sustainability Committee, [E&S\(4\)-06-13 paper 2, Paper from the Deputy Minister for Agriculture, Fisheries, Food and European Programmes](#), February 2013 [no link available at time of writing]

Table 15: Changes to BETS allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
Sectors and Business	45,831	50,722	4,891	10.7	50,231	4,400	9.6	-491	-1.0
Science and Innovation	5,785	10,656	4,871	84.2	10,656	4,871	84.2	0	0.0
Major Events	3,870	4,831	961	24.8	4,831	961	24.8	0	0.0
Infrastructure	22,415	22,415	0	0.0	21,990	-425	-1.9	-425	-1.9
Strategy & Corporate Programmes	12,478	12,478	0	0.0	12,825	347	2.8	347	2.8
WEFO	1,522	1,522	0	0.0	2,947	1,425	93.6	1,425	93.6
Rural Affairs	78,246	74,246	-4,000	-5.1	52,419	-25,827	-33.0	-21,827	-29.4
Tourism	12,723	0	-12,723	-100.0	0	-12,723	-100.0	0	0.0
TOTAL Revenue	182,870	176,870	-6,000	-3.3	155,899	-26,971	-14.7	-20,971	-11.9
CAPITAL DEL									
Sectors and Business	59,992	68,832	8,840	14.7	97,627	37,635	62.7	28,795	41.8
Science & Innovation	357	1,107	750	210.1	1,107	750	210.1	0	0.0
Regional Funding	995	0	-995	-100.0	0	-995	-100.0	0	0.0
Finance Wales	1,500	0	-1,500	-100.0	0	-1,500	-100.0	0	0.0
Infrastructure	11,031	11,031	0	0.0	7,731	-3,300	-29.9	-3,300	-29.9
Strategy & Corporate Programmes	417	1,917	1,500	359.7	-15,083	-15,500	-3,717.0	-17,000	-886.8
Rural Affairs	12,569	15,469	2,900	23.1	17,174	4,605	36.6	1,705	11.0
Tourism	2,595	0	-2,595	-100.0	0	-2,595	-100.0	0	0.0
TOTAL Capital	89,456	98,356	8,900	9.9	108,556	19,100	21.4	10,200	10.4
AME									
Infrastructure	41,402	41,402	0	0.0	20,000	-21,402	-51.7	-21,402	-51.7
TOTAL AME	41,402	41,402	0	0.0	20,000	-21,402	-51.7	-21,402	-51.7
Revenue DEL	182,870	176,870	-6,000	-3.3	155,899	-26,971	-14.7	-20,971	-11.9
Capital DEL	89,456	98,356	8,900	9.9	108,556	19,100	21.4	10,200	10.4
TOTAL DEL	272,326	275,226	2,900	1.1	264,455	-7,871	-2.9	-10,771	-3.9
Annually Managed Expenditure	41,402	41,402	0	0.0	20,000	-21,402	-51.7	-21,402	-51.7
TOTAL BETS	313,728	316,628	2,900	0.9	284,455	-29,273	-9.3	-32,173	-10.2

Source: Research Service calculations from Welsh Government [Budgets](#)

9. Education and Skills (E&S)

[Table 17](#) summarises changes at the SPA levels in the E&S MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the E&S MEG⁵⁰:

- Shows an increase in TME of £56.4 million, or 2.8%.
- This consists of a £70.4 million (3.8%) increase in total DEL, and a £13.9 million (7.8%) decrease in AME.
- The change in total DEL comprises an increase of £13.6 million (0.8%) in revenue DEL and an increase of £56.8 million (31.8%) in capital DEL.

The increase of £13.6 million in revenue DEL comprises:

- Transfer in of £25 million from the UK Reserves (via reserves), to the *Post 16 Learner Support* action as additional cover for the operation of the student loans valuation model, as shown in [tables 6](#) and [7](#);
- A net increase of £0.6 million as a result of transfers with other MEGs, as shown in [table 10](#); and
- A reduction of £12 million as a result of revenue to capital transfers within the MEG, as shown in [table 18](#).

The increase of £56.8 million in capital DEL comprises:

- Allocations of £44.8 million from capital reserves, to the *Estates and IT Provision* capital action:
 - £40 million in support of transitional projects, the 21st century schools programme and the capital repair and maintenance scheme in local authorities and higher education, as shown in [table 8](#); and
 - £4.8 million in relation to CRC projects, as shown in [table 9](#);
- An increase of £12 million as a result of revenue to capital transfers within the MEG, as shown in [table 18](#).

The £13.9 million decrease in AME reflects the latest forecasts for student loans. In addition to these changes, there have been a number of internal transfers within the E&S MEG; these are shown at action level in [table 18](#). The net impact of these transfers is a £12 million reduction in revenue, with a corresponding increase in capital, as detailed above.

⁵⁰ Figures may not add to totals exactly, due to rounding.

Table 17: Changes to E&S allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
Education and Training Standards	1,165,476	1,166,961	1,485	0.1	1,157,902	-7,574	-0.6	-9,059	-0.8
Skilled Workforce	89,669	89,649	-20	-0.0	77,966	-11,703	-13.1	-11,683	-13.0
Economic and Social Wellbeing and Reducing Inequality	390,762	390,752	-10	-0.0	425,242	34,480	8.8	34,490	8.8
Welsh Language	26,355	24,976	-1,379	-5.2	24,670	-1,685	-6.4	-306	-1.2
Delivery Support	3,148	4,191	1,043	33.1	4,391	1,243	39.5	200	4.8
TOTAL REVENUE	1,675,410	1,676,529	1,119	0.1	1,690,171	14,761	0.9	13,642	0.8
CAPITAL DEL									
Education and Training Standards	161,243	178,293	17,050	10.6	235,043	73,800	45.8	56,750	31.8
Welsh Language Board	100	0	-100	-100.0	0	-100	-100.0	0	0.0
TOTAL CAPITAL	161,343	178,293	16,950	10.5	235,043	73,700	45.7	56,750	31.8
AME									
Economic and Social Wellbeing and Reducing Inequality	150,525	178,309	27,784	18.5	164,362	13,837	9.2	-13,947	-7.8
TOTAL AME	150,525	178,309	27,784	18.5	164,362	13,837	9.2	-13,947	-7.8
Revenue DEL	1,675,410	1,676,529	1,119	0.1	1,690,171	14,761	0.9	13,642	0.8
Capital DEL	161,343	178,293	16,950	10.5	235,043	73,700	45.7	56,750	31.8
TOTAL DEL	1,836,753	1,854,822	18,069	1.0	1,925,214	88,461	4.8	70,392	3.8
Annually Managed Expenditure	150,525	178,309	27,784	18.5	164,362	13,837	9.2	-13,947	-7.8
TOTAL E&S	1,987,278	2,033,131	45,853	2.3	2,089,576	102,298	5.1	56,445	2.8

Source: Research Service calculations from Welsh Government [Budgets](#)

Table 18: Transfers within E&S MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Curriculum	-150		Literacy and Numeracy	150		Transfers less than £250,000 are not detailed
Welsh Learning	-300		Curriculum	300		Contribution towards Welsh-medium funding for 14-19 Learning pathways grant
Curriculum	-250		Wellbeing of Children and Young People	250		Available as result of savings in staff costs for 14-19 Learning Pathways
Qualifications	-1,637		Wellbeing of Children and Young People	1,637		Available as result of savings against Welsh Baccalaureate budget
Qualifications	-40		Post 16 Education	40		Transfers less than £250,000 are not detailed
Employment and Skills	-4,577		Post 16 Education	4,577		£4,230k for Young Recruits Programme, £47k for Pathways to Apprenticeships and £300k for apprenticeship policy development, as result of administrative change to management of Employment and Skills budget
Post 16 Education	-300		Delivery Support	300		To raise employer awareness of apprenticeship schemes and Young Recruits Programme
Higher Education	-11,355		Post 16 Learner Support	11,355		For costs associated with extension of Assembly Learning Grant (£4,400k) and to support development of priorities within higher education (£6,955k) agreed in response to Browne Review in 2010
Welsh Learning	-6		Higher Education	6		Transfers less than £250,000 are not detailed
Education Structures	-500		Wellbeing of Children and Young People	500		Available as result of savings against mergers and collaboration projects
Education Structures	-165		Post 16 Education	165		Transfers less than £250,000 are not detailed
Employment and Skills	-12,000		Estate and IT Provision	12,000		Revenue to capital transfer as result of lower than expected demand. Will support Programme for Government commitment to enhance broadband in schools
Youth Engagement and Employment	-3,901		Employment and Skills	3,901		Administrative change in management of Employment and Skills budget
Access Opportunities	-4,984		Youth Engagement and Employment	4,984		Administrative transfer as result of creation of new Youth Engagement and Employment Division within department
Delivery Support	-100		Post 16 Education	100		Transfers less than £250,000 are not detailed
Total transfers	-40,265	0		28,265	12,000	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

10. Environment and Sustainable Development (ESD)

Table 19 summarises changes at the SPA levels in the ESD MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the ESD MEG⁵¹:

- Shows an increase in TME of £1.2 million, or 0.4%.
- This consists entirely of a £1.2 million (0.4%) increase in total DEL, as there is no AME in the ESD MEG.
- The change in total DEL comprises a decrease of £5 million (1.9%) in revenue DEL offset by an increase of £6.3 million (8.3%) in capital DEL.

The decrease of £5 million in revenue DEL comprises:

- Transfer to reserves of £1.3 million from the *Implementing the new Woodland Strategy through Forestry Commission Wales* action relating to wind farm receipts administered and received by Forestry Commission Wales, as shown in [table 7](#);
- Transfer out of £1.7 million to the Department for Environment, Food and Rural Affairs (DEFRA) from the *Sponsor and Manage Delivery Bodies* action (via reserves), in relation to depreciation for the Environment Agency Wales, as part of the Clear Line of Sight Project,⁵² as shown in [tables 6 and 7](#);
- Transfer from the CSA MEG of £2.5 million, as shown in [table 10](#), in relation to Invest-to-Save funding for transitional costs associated with the Natural Resources Body;
- Transfers from reserves of £29,000 into the *Evidence Base* action, and £0.1 million into the *protect and Improve Animal Health and Welfare* action, as shown in [table 7](#); details of the nature of these allocations are not detailed as they are less than £250,000; and
- A reduction of £4.8 million as a result of revenue to capital transfers within the MEG, as shown in [table 20](#).

⁵¹ Figures may not add to totals exactly, due to rounding.

⁵² The Clear line of Sight (or Alignment) project aims to simplify the public spending and reporting system. Further details can be found in the Research Service Quick Guide: [Simplifying Government Finance: The Alignment project and how it will impact on Wales](#) (July 2010).[accessed 11 February 2013]

The increase of £6.3 million in capital DEL comprises:

- Allocation of £5 million from capital reserves, to the *Develop and implement flood and coastal risk, water and sewage policy and legislation* capital action, as shown in [table 8](#); this relates to flood and coastal risk management schemes in Conwy and Denbighshire, as well as a number of Environment Agency schemes;
- Transfer of £3.5 million to capital reserves from the *Manage and implement the Waste Strategy and waste procurement* action, as shown in [table 7](#), as a result of adjustments to the funding for the Waste Management Programme; and
- An increase of £4.8 million as a result of revenue to capital transfers within the MEG, as shown in [table 20](#).

In addition to these changes, there have been a number of internal transfers within the ESD MEG; these are shown at action level in [table 20](#). The net impact of these transfers is a £4.8 million reduction in revenue, with a corresponding increase in capital, as detailed above.

Table 20: Transfers within ESD MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation	-700		Manage and implement EU waste legislation, LEQ and contaminated land	700		Part of Tidy Towns initiative to improve local environment quality
Sponsor and manage delivery bodies	-1,000		Sponsor and manage delivery bodies		1,000	To fund IT requirements of Natural Resources Wales
Implementing the new woodland strategy through Forestry Commission Wales	-800		Sponsor and manage delivery bodies	800		To provide additional funding for transitional costs and IT requirements of Natural Resources Wales.
Protecting and improving animal health and welfare	-250		Protecting and improving animal health and welfare		250	Revenue to capital transfer for purchase of plant and machinery for TB eradication programme
Protecting and improving animal health and welfare	-3,500		Sponsor and manage delivery bodies		3,500	Revenue to capital transfer due to net underspend from offsetting income in TB eradication programme. To fund IT requirements of Natural Resources Wales.
Total transfers	-6,250	0		1,500	4,750	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

Table 19: Changes to ESD allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
Climate Change and Sustainability	115,885	115,855	-30	-0.0	115,155	-730	-0.6	-700	-0.6
Environment	80,887	80,887	0	0.0	82,286	1,399	1.7	1,399	1.7
Planning	7,403	7,403	0	0.0	7,403	0	0.0	0	0.0
Protecting & Improving Animal Health & Welfare	39,454	39,454	0	0.0	35,804	-3,650	-9.3	-3,650	-9.3
Evidence Base	354	354	0	0.0	383	29	8.2	29	8.2
Forestry	21,200	21,200	0	0.0	19,100	-2,100	-9.9	-2,100	-9.9
TOTAL REVENUE	265,183	265,153	-30	-0.0	260,131	-5,052	-1.9	-5,022	-1.9
CAPITAL DEL									
Climate Change and Sustainability	57,196	69,936	12,740	22.3	71,456	14,260	24.9	1,520	2.2
Environment	4,600	5,600	1,000	21.7	10,100	5,500	119.6	4,500	80.4
Protecting and Improving Animal Health and Welfare	0	0	0	0.0	250	250	100.0	250	100.0
Evidence Base	38	38	0	0.0	38	0	0.0	0	0.0
Forestry	-205	-205	0	0.0	-205	0	0.0	0	0.0
TOTAL CAPITAL	61,629	75,369	13,740	22.3	81,639	20,010	32.5	6,270	8.3
TOTAL AME	0	0	0	0.0	0	0	0.0	0	0.0
Revenue DEL	265,183	265,153	-30	-0.0	260,131	-5,052	-1.9	-5,022	-1.9
Capital DEL	61,629	75,369	13,740	22.3	81,639	20,010	32.5	6,270	8.3
TOTAL DEL	326,812	340,522	13,710	4.2	341,770	14,958	4.6	1,248	0.4
Annually Managed Expenditure	0	0	0	0.0	0	0	0.0	0	0.0
TOTAL ESD	326,812	340,522	13,710	4.2	341,770	14,958	4.6	1,248	0.4

Source: Research Service calculations from Welsh Government [Budgets](#)

11. Housing, Regeneration and Heritage (HRH)

Table 21 summarises changes at the SPA levels in the HRH MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the HRH MEG⁵³:

- Shows an increase in TME of £33.5 million, or 6.4%.
- This consists entirely of a £33.5 million (5.6%) increase in total DEL, as there is no change to AME in the HRH MEG.
- The change in total DEL comprises a decrease of £0.4 million (0.2%) in revenue DEL offset by an increase of £33.9 million (10.8%) in capital DEL.

The decrease of £0.4 million in revenue DEL comprises:

- Transfer from reserves of £0.4 million into the *Increase the Supply and Choice of Housing* action relating to a reduction in the value of land used for social housing (non fiscal), as shown in [table 7](#);
- Transfer of £1.2 million from HM Treasury to the *Regeneration* action (via reserves), in relation to the coastal Communities Fund, as shown in [tables 6 and 7](#);
- Transfers with other MEGs, the overall impact of which is an increase of £1.9 million, as shown in [table 10](#); and
- A reduction of £3.9 million as a result of revenue to capital transfers within the MEG, as shown in [table 22](#).

The increase of £33.9 million in capital DEL comprises:

- Allocation of £30 million from capital reserves, to the *Increase the Supply and Choice of Housing* capital action, as shown in [table 8](#), representing additional funding for the Social Housing Grant (£29 million) and Independent Living Grant (£1 million); and
- An increase of £3.9 million as a result of revenue to capital transfers within the MEG, as shown in [table 22](#).

In addition to these changes, there have been a number of internal transfers within the HRH MEG; these are shown at action level in [table 22](#). The net impact of these transfers is a £3.9 million reduction in revenue, with a corresponding increase in capital, as detailed above.

⁵³ Figures may not add to totals exactly, due to rounding.

Table 21: Changes to HRH allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
Housing policy	150,493	150,493	0	0.0	150,068	-425	-0.3	-425	-0.3
Homes and Places	14,990	15,038	48	0.3	14,953	-37	-0.2	-85	-0.6
Support and sustain a strong arts sector via the Arts Council and others	34,802	34,802	0	0.0	34,860	58	0.2	58	0.2
Museums, Archives and Libraries	37,436	37,436	0	0.0	37,436	0	0.0	0	0.0
Delivery of effective sports & physical activity programmes	24,923	24,923	0	0.0	24,830	-93	-0.4	-93	-0.4
Media & publishing	3,980	3,980	0	0.0	4,030	50	1.3	50	1.3
Conserve, protect, sustain and promote access to the historic environment	11,658	11,658	0	0.0	11,733	75	0.6	75	0.6
TOTAL REVENUE	278,282	278,330	48	0.0	277,910	-372	-0.1	-420	-0.2
CAPITAL DEL									
Housing Policy	1,641	1,641	0	0.0	11,641	10,000	609.4	10,000	609.4
Homes and Places	281,806	302,566	20,760	7.4	326,216	44,410	15.8	23,650	7.8
Support and sustain a strong arts sector via the Arts Council and others	455	455	0	0.0	455	0	0.0	0	0.0
Museums, Archives and Libraries	4,973	3,973	-1,000	-20.1	4,523	-450	-9.0	550	13.8
Delivery of effective sports & physical activity programmes	345	345	0	0.0	345	0	0.0	0	0.0
Media & publishing	25	25	0	0.0	25	0	0.0	0	0.0
Conserve, protect, sustain and promote access to the historic environment	5,313	5,313	0	0.0	5,013	-300	-5.6	-300	-5.6
TOTAL CAPITAL	294,558	314,318	19,760	6.7	348,218	53,660	18.2	33,900	10.8
AME									
Museums and Libraries Pensions	2,490	2,490	0	0.0	2,490	0	0.0	0	0.0
Housing	-61,000	-68,000	-7,000	11.5	-68,000	-7,000	11.5	0	0.0
TOTAL AME	-58,510	-65,510	-7,000	12.0	-65,510	-7,000	-12.0	0	0.0
Revenue DEL	278,282	278,330	48	0.0	277,910	-372	-0.1	-420	-0.2
Capital DEL	294,558	314,318	19,760	6.7	348,218	53,660	18.2	33,900	10.8
TOTAL DEL	572,840	592,648	19,808	3.5	626,128	53,288	9.3	33,480	5.6
Annually Managed Expenditure	-58,510	-65,510	-7,000	-12.0	-65,510	-7,000	-12.0	0	0.0
TOTAL HRH	514,330	527,138	12,808	2.5	560,618	46,288	9.0	33,480	6.4

Source: Research Service calculations from Welsh Government [Budgets](#)

Table 22: Transfers within HRH MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Supporting People	-168		Unknown	168		Transfers less than £250,000 are not detailed
Policy development and Implementation	-78		Unknown	78		Transfers less than £250,000 are not detailed
Unknown	-4		Achieve Quality Housing	4		Transfers less than £250,000 are not detailed
Increase the Supply and Choice of Housing	-1,900		Increase the Supply and Choice of Housing		1,900	Revenue to capital switch for investment in social housing
Increase the Supply and Choice of Housing	-100		Foster usage and lifelong learning through library services		100	Revenue to capital switch for work on National Library building
Unknown	-242		Policy Research and Evaluation	242		Transfers less than £250,000 are not detailed
Regeneration	-1,800		Regeneration		1,800	Revenue to capital switch primarily for Western Valleys Strategic Regeneration Area
Regeneration	-100		Foster usage and lifelong learning through library services		100	Revenue to capital switch for work on National Library building
Support and sustain a strong arts sector via the Arts Council and others	-32		Unknown	32		Transfers less than £250,000 are not detailed
Delivery of effective sports and physical activity programmes	-93		Unknown	93		Transfers less than £250,000 are not detailed
Unknown	-50		Media and Publishing	50		Transfers less than £250,000 are not detailed
Unknown	-75		Conserve, protect, sustain and promote access to the historic environment	75		Transfers less than £250,000 are not detailed
Increase the Supply and Choice of Housing		-10,000	Empty Homes Programme		10,000	Due to restructuring within the department
Conserve, protect, sustain and promote access to the historic environment		-300	Foster usage and lifelong learning through library services		300	For work on National library building
Increase the Supply and Choice of Housing		-50	Foster usage and lifelong learning through library services		50	Revenue to capital switch for work on National Library building
Strategic leadership for museum, archive and library services		-100	Foster usage and lifelong learning through library services		100	Revenue to capital switch for work on National Library building
Total transfers	-4,642	-10,450		742	14,350	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

12. Central Services and Administration (CSA)

Table 23 summarises changes at the SPA levels in the CSA MEG, as compared with the previous supplementary budget 2012-13, and the final budget 2012-13.

As compared with the first supplementary budget 2012-13 the CSA MEG⁵⁴:

- Shows a decrease in TME of £32.2 million, or 8.9%.
- This consists of a £35.1 million (9.7%) decrease in total DEL, and a £2.9 million (over 100 per cent) increase in AME.
- The change in total DEL comprises a decrease of £36.5 million (10.9%) in revenue DEL and an increase of £1.4 million (5.0%) in capital DEL.

The decrease of £36.5 million in revenue DEL comprises:

- Transfers out to reserves of £22 million, as a result of savings from staff severance schemes in prior years, associated non-staff savings and the deferral of administrative projects, as shown in **table 7**:
 - £12.9 million from the *Staff Costs* action;
 - £3.6 million from the *General Administration* action; and
 - £5.5 million from the *Enabling Government* action;
- Transfer out to reserves of £4 million from the *Match Funding* action, resulting from a reduction in demand, as shown in **table 7**;
- Allocation of £3 million from reserves to the *Capital Charges* action, for increased notional depreciation and impairments; as shown in **table 7**;
- A net decrease of £11.9 million as a result of transfers with other MEGs, as shown in **table 10**; and
- A reduction of £1.6 million as a result of revenue to capital transfers within the MEG, as shown in **table 24**.

The increase of £1.4 million in capital DEL comprises:

- A net decrease of £0.2 million as a result of transfers with other MEGs, as shown in **table 10**; and
- An increase of £1.6 million as a result of revenue to capital transfers within the MEG, as shown in **table 24**.

The £2.9 million increase in AME reflects the latest forecasts for early retirement provisions and in-year pension deficit charges.

⁵⁴ Figures may not add to totals exactly, due to rounding.

In addition to these changes, there have been a number of internal transfers within the CSA MEG; these are shown at action level in [table 24](#). The net impact of these transfers is a £1.6 million reduction in revenue, with a corresponding increase in capital, as detailed above.

Table 24: Transfers within CSA MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
General Administration	-1,600		General Administration		1,600	Revenue to capital switch
General Administration	-1,365		Invest-to-Save Fund	1,365		As a result of non-pay savings, to fund additional Invest-to-Save revenue projects
Geographical Information	-98		General Administration	98		Transfers less than £250,000 are not detailed
IT Costs	-323		Enabling Government	323		To align business improvement budgets
Geographical Information	-28		Central Research	28		Transfers less than £250,000 are not detailed
Invest-to-Save	-10,000		Invest-to-Save Fund	10,000		Not detailed. Appears to be movement of action from Information and Support Services SPA to Central Programmes SPA.
Invest-to-Save Fund		-848	IT Costs Capital		848	For the purchase of software licences.
Total transfers	-13,414	-848		11,814	2,448	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#) (February 2013)

Table 23: Changes to CSA allocations

Spending programme area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget (Jun 2012)	Change from Final Budget to Supplementary Budget 2012-13 (Jun 2012)		2012-13 Supplementary Budget (Feb 2013)	Change from Final Budget to Supplementary Budget 2012-13 (Feb 2012)		Change from Supplementary Budget (Jun 2012) to Supplementary Budget 2012-13 (Feb 2013)	
	£000s	£000s	£000s	per cent	£000s	£000s	per cent	£000s	per cent
REVENUE DEL									
Delegated Running Costs	204,340	205,613	1,273	0.6	192,728	-11,612	-5.7	-12,885	-6.3
Central Running Costs	91,377	91,429	52	0.1	82,447	-8,930	-9.8	-8,982	-9.8
Information & Support Services	11,377	23,016	11,639	102.3	13,097	1,720	15.1	-9,919	-43.1
Central Programmes	14,361	14,361	0	0.0	9,619	-4,742	-33.0	-4,742	-33.0
TOTAL REVENUE	321,455	334,419	12,964	4.0	297,891	-23,564	-7.3	-36,528	-10.9
CAPITAL DEL									
Central Running Costs	11,145	11,145	0	0.0	13,593	2,448	22.0	2,448	22.0
Central Programmes	17,319	17,319	0	0.0	16,295	-1,024	-5.9	-1,024	-5.9
TOTAL CAPITAL	28,464	28,464	0	0.0	29,888	1,424	5.0	1,424	5.0
AME									
Provisions for Early Retirement	-1,837	-1,842	-5	0.3	1,050	2,887	157.2	2,892	157.0
TOTAL AME	-1,837	-1,842	-5	0.3	1,050	2,887	157.2	2,892	157.0
Revenue DEL	321,455	334,419	12,964	4.0	297,891	-23,564	-7.3	-36,528	-10.9
Capital DEL	28,464	28,464	0	0.0	29,888	1,424	5.0	1,424	5.0
TOTAL DEL	349,919	362,883	12,964	3.7	327,779	-22,140	-6.3	-35,104	-9.7
Annually Managed Expenditure	-1,837	-1,842	-5	0.3	1,050	2,887	157.2	2,892	157.0
TOTAL CSA	348,082	361,041	12,959	3.7	328,829	-19,253	-5.5	-32,212	-8.9

Source: Research Service calculations from Welsh Government [Budgets](#)