

National Assembly for Wales
Research paper

Second Supplementary Budget 2013-14 (February 2014)

March 2014

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Second Supplementary Budget 2013-14 (February 2014)

March 2014

Gareth Thomas

The Welsh Government's second supplementary budget for 2013-14 was laid before the National Assembly for Wales on 11 February 2014. 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 2013-14, as agreed by the Assembly in July 2013, and the Final Budget 2013-14. Thus, it builds on the information provided in the documentation produced by the Welsh Government.

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Summary

This second supplementary budget for 2013-14 amends the previous supplementary budget 2013-14, approved by the National Assembly in July 2013. **The main change reflected in this supplementary budget is to reprioritise resources to manage in-year pressures. Health and Social Services has been allocated £192.6 million additional revenue through allocations from reserves. However, there are a number of other purposes:**

- **To make allocations from central reserves;**
- **To reflect transfers within and between Welsh Government departmental budgets; and**
- **Adjust the baselines to account for transfers with the UK Government, transfers between revenue and capital, and carry forward of funding.**

This supplementary budget also makes an adjustment to increase the income ambit of the Welsh Government by £348.7 million to provide cover for funding received from the EU into the Natural Resources and Food Main Expenditure Group (MEG) in respect of the Rural Development Plan and Market Support Schemes.

The supplementary budget motion requests the Assembly to authorise an additional £382.3 million cash to be drawn from the Welsh Consolidated Fund by the Welsh Ministers in the 2013-14 financial year.

Since the last supplementary budget for 2013-14:

- Total managed expenditure (TME) in the Welsh block has increased by £528.4 million, or 3.3%.
- An additional £643.3 million, or 4.1%, TME is allocated to Welsh Government departments.
- An additional £558.2 million, or 3.7%, DEL is allocated to Welsh Government departments.
- An additional £454.9 million, or 3.3%, revenue DEL is allocated to Welsh Government departments.
- An additional £103.3 million, or 8.4%, capital DEL is allocated to Welsh Government departments.
- Annually managed expenditure (AME) in the Welsh block has increased by £85.8 million, or 27.0%.

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1. Second Supplementary Budget 2013-14

The second supplementary budget motion for the 2013-14 financial year was laid by the Minister for Finance and Leader of the House (Jane Hutt, AM) on 11 February 2014.¹ 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 2013-14, as approved by the National Assembly on 16 July 2013.⁵

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 2013-14 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.

The supplementary budget motion requests the Assembly to authorise an additional £382.3 million cash to be drawn from the Welsh Consolidated Fund by the Welsh Ministers in the 2013-14 financial year.⁷

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

¹ Welsh Government, [Supplementary Budget Motion 2013-14](#), February 2014.[accessed 21 February 2014]

² This was updated on 17 February 2014 following the Welsh Government identifying two errors in the original document, and can be found at Welsh Government, [Supplementary Budget 2013-14 Explanatory Note](#), February 2014 [accessed 21 February 2014]

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 2013-14 Main Expenditure Group Tables](#), February 2014 [accessed 21 February 2014]

⁵ Welsh Government, [Supplementary Budget 2013-14](#), June 2013. The Finance Committee’s report on this supplementary budget can be accessed here: [Scrutiny of Supplementary Budget 2013-14](#), and the motion approved in Plenary can be accessed here: [RoP 16 July 2013](#). [accessed 21 February 2014]

⁶ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Supplementary Budget 2013-14](#), Cabinet Written Statement, 11 February 2014 [accessed 21 February 2014]

⁷ Welsh Government, [Supplementary Budget Motion 2013-14](#), February 2014 [accessed 21 February 2014]

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)⁸ 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),⁹ since the first supplementary budget for 2013-14, and also since the final budget 2013-14.

Since the first supplementary budget 2013-14, TME in the Welsh block has increased by £528.4 million, or 3.3%. This is due to:

- baseline adjustments of £442.6 million in departmental expenditure limits (DEL)¹⁰ (see [section 2.2](#) for further detail); and
- additional annually managed expenditure (AME)¹¹ allocations of £85.8 million.

Overall, this supplementary budget allocates an additional £643.3 million (4.1%) in TME to Welsh Government departments. This is due to:

- additional DEL allocations of £558.2 million (see [section 2.2](#) for further detail); and
- £85.1 million in additional AME allocations.

In comparison to the first supplementary budget for 2013-14 the greatest changes in TME allocations to Welsh Government MEGs are as follows:

- The largest cash and percentage increase is seen in the Education and Skills MEG: £374.7 million, or 18.4%.
- The largest cash and percentage reduction is seen in the Central Services and Administration MEG: £15.5 million, or 4.5%.

⁸ **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.

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

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

¹¹ **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.

Table 1: Changes to TME

Main Expenditure Group	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2012- 13 (Feb 2014)	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
Health and Social Services	6,300,192	6,319,093	18,901	0.3	6,541,454	241,262	3.8	222,361	3.5
Local Government	4,460,251	4,759,684	299,433	6.7	4,746,591	286,340	6.4	-13,093	-0.3
Communities and Tackling Poverty	199,313	212,006	12,693	6.4	203,091	3,778	1.9	-8,915	-4.2
Economy, Science and Transport	899,810	900,527	717	0.1	950,767	50,957	5.7	50,240	5.6
Education and Skills	2,046,302	2,037,661	-8,641	-0.4	2,412,358	366,056	17.9	374,697	18.4
Natural Resources and Food	398,198	413,902	15,704	3.9	410,592	12,394	3.1	-3,310	-0.8
Housing and Regeneration	370,058	394,930	24,872	6.7	431,318	61,260	16.6	36,388	9.2
Culture and Sport	140,949	142,462	1,513	1.1	142,842	1,893	1.3	380	0.3
Central Services and Administration	347,420	344,223	-3,197	-0.9	328,735	-18,685	-5.4	-15,488	-4.5
Total Welsh Government TME Allocations	15,162,493	15,524,488	361,995	2.4	16,167,748	1,005,255	6.6	643,260	4.1
Revenue Reserves	209,407	144,491	-64,916	-31.0	101,859	-107,548	-51.4	-42,632	-29.5
Capital Reserves	869	80,160	79,291	9,124.4	7,749	6,880	791.7	-72,411	-90.3
Assembly Commission	49,950	49,950	0	0.0	49,950	0	0.0	0	0.0
Auditor General for Wales	5,244	5,244	0	0.0	5,431	187	3.6	187	3.6
Public Services Ombudsman for Wales	3,942	3,942	0	0.0	3,942	0	0.0	0	0.0
Direct Charges	645	645	0	0.0	645	0	0.0	0	0.0
Total Wales TME	15,432,550	15,808,920	376,370	2.4	16,337,324	904,774	5.9	528,404	3.3

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 2013-14, and also since the final budget 2013-14.

Since the first supplementary budget 2013-14, total DEL in the Welsh block has increased by £442.6 million, or 2.9%.¹² This is entirely due to baseline adjustments:

- £358.6 million transfers from UK Government; and
- £84.2 million carried forward under BES.

Overall, this supplementary budget allocates an additional £558.2 million (3.7%) in total DEL to Welsh Government departments.¹³ This is entirely due to allocations from reserves.

In comparison to the first supplementary budget for 2013-14 the greatest changes in total DEL allocations to Welsh Government MEGs are as follows:

- The largest cash and percentage increase is seen in the Education and Skills MEG: £309.7 million, or 16.6%.
- The largest reduction, in both cash and percentage terms, is seen in the Central Services and Administration MEG: £15.4 million, or 4.5%.

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 2013-14.

Figure 2 shows what percentage of the additional £558.2 million total DEL has been allocated to each MEG in this supplementary budget.

¹² Figures may not add precisely, due to rounding.

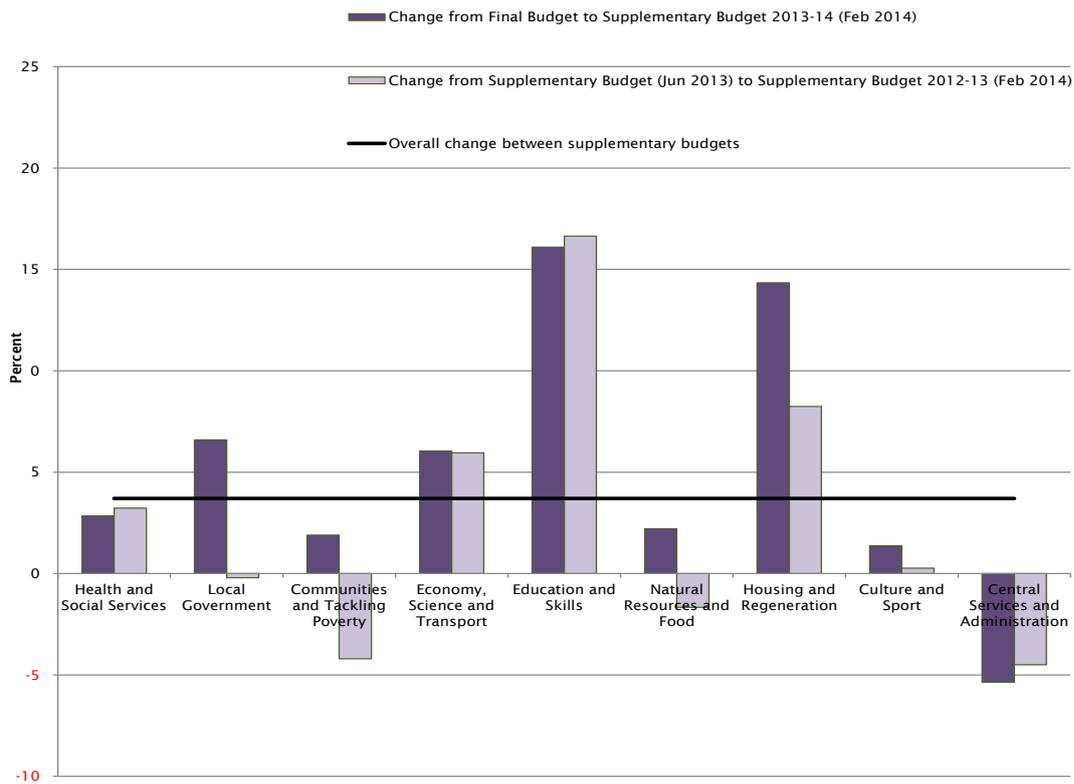
¹³ Figures may not add precisely, due to rounding.

Table 2: Changes to total DEL

Main Expenditure Group	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2012-13 (Feb 2014)	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
Health and Social Services	6,205,618	6,182,203	-23,415	-0.4	6,382,118	176,500	2.8	199,915	3.2
Local Government	4,435,763	4,737,828	302,065	6.8	4,728,084	292,321	6.6	-9,744	-0.2
Communities and Tackling Poverty	199,313	212,006	12,693	6.4	203,091	3,778	1.9	-8,915	-4.2
Economy, Science and Transport	851,892	852,609	717	0.1	903,405	51,513	6.0	50,796	6.0
Education and Skills	1,869,433	1,860,792	-8,641	-0.5	2,170,491	301,058	16.1	309,699	16.6
Natural Resources and Food	398,198	413,902	15,704	3.9	406,992	8,794	2.2	-6,910	-1.7
Housing and Regeneration	441,058	465,930	24,872	5.6	504,318	63,260	14.3	38,388	8.2
Culture and Sport	138,209	139,722	1,513	1.1	140,102	1,893	1.4	380	0.3
Central Services and Administration	345,786	342,672	-3,114	-0.9	327,262	-18,524	-5.4	-15,410	-4.5
Total Welsh Government DEL Allocations	14,885,270	15,207,664	322,394	2.2	15,765,863	880,593	5.9	558,199	3.7
Revenue Reserves	209,407	144,491	-64,916	-31.0	101,859	-107,548	-51.4	-42,632	-29.5
Capital Reserves	869	80,160	79,291	9,124.4	7,749	6,880	791.7	-72,411	-90.3
Assembly Commission	49,450	49,450	0	0.0	48,750	-700	-1.4	-700	-1.4
Auditor General for Wales	5,244	5,244	0	0.0	5,431	187	3.6	187	3.6
Public Services Ombudsman for Wales	4,144	4,144	0	0.0	4,144	0	0.0	0	0.0
Direct Charges	645	645	0	0.0	645	0	0.0	0	0.0
Total Wales DEL	15,155,029	15,491,798	336,769	2.2	15,934,441	779,412	5.1	442,643	2.9

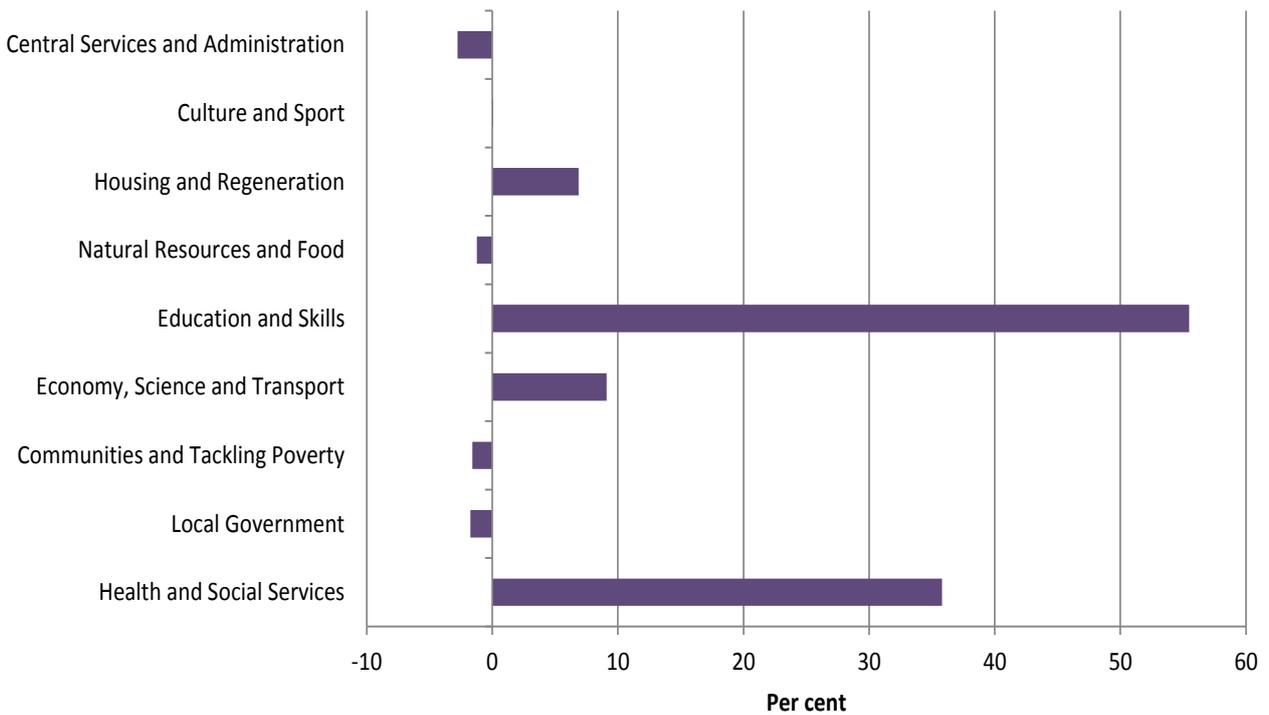
Source: Research Service calculations from Welsh Government [Budgets](#)

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 2013-14, and also since the final budget 2013-14.

Since the first supplementary budget 2013-14, revenue DEL in the Welsh block has increased by £411.7 million, or 2.9%.¹⁴ This is entirely due to baseline adjustments of:

- £328.7 million transfers from UK Government;
- £83 million carried forward under BES;

Overall, this supplementary budget allocates an additional £454.9 million¹⁵ (3.3%) in revenue DEL to Welsh Government departments. This is due to:

- allocations of £463.8 million from reserves;
- £8.9 million reduction as a result of transfers from revenue to capital within MEGs.

In comparison to the first supplementary budget for 2013-14 the greatest changes in revenue DEL allocations to Welsh Government MEGs are as follows:

- The largest cash and percentage increase is seen in the Education and Skills MEG: £309.7 million, or 18.7%.
- The largest cash and percentage reduction is seen in the Natural Resources and Food MEG: £22.6 million, or 6.9%.

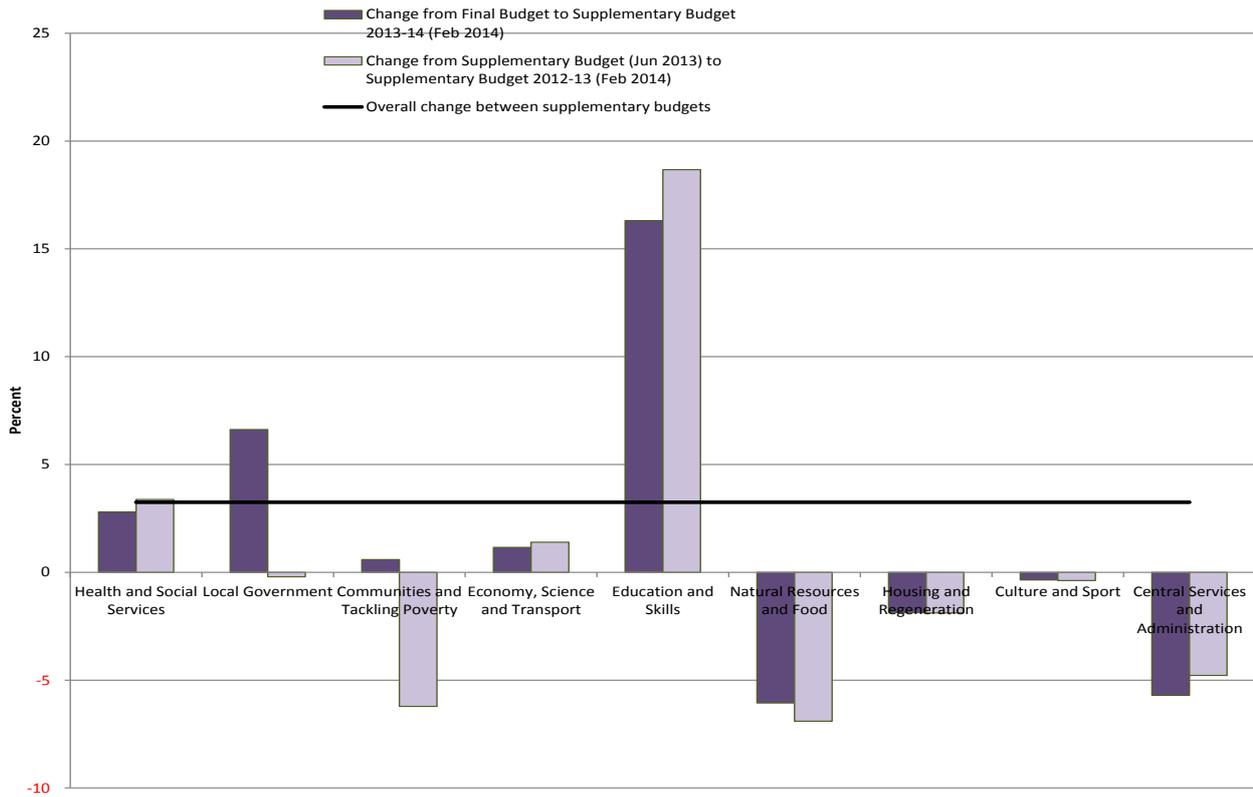
Figure 3 shows the percentage change in revenue DEL allocated to each MEG against the overall change in this supplementary budget, and the changes as at the previous supplementary budget and the final budget 2013-14.

Figure 4 shows what percentage of the additional £454.9 million revenue DEL has been allocated to each MEG in this supplementary budget.

¹⁴ Figures may not add precisely, due to rounding.

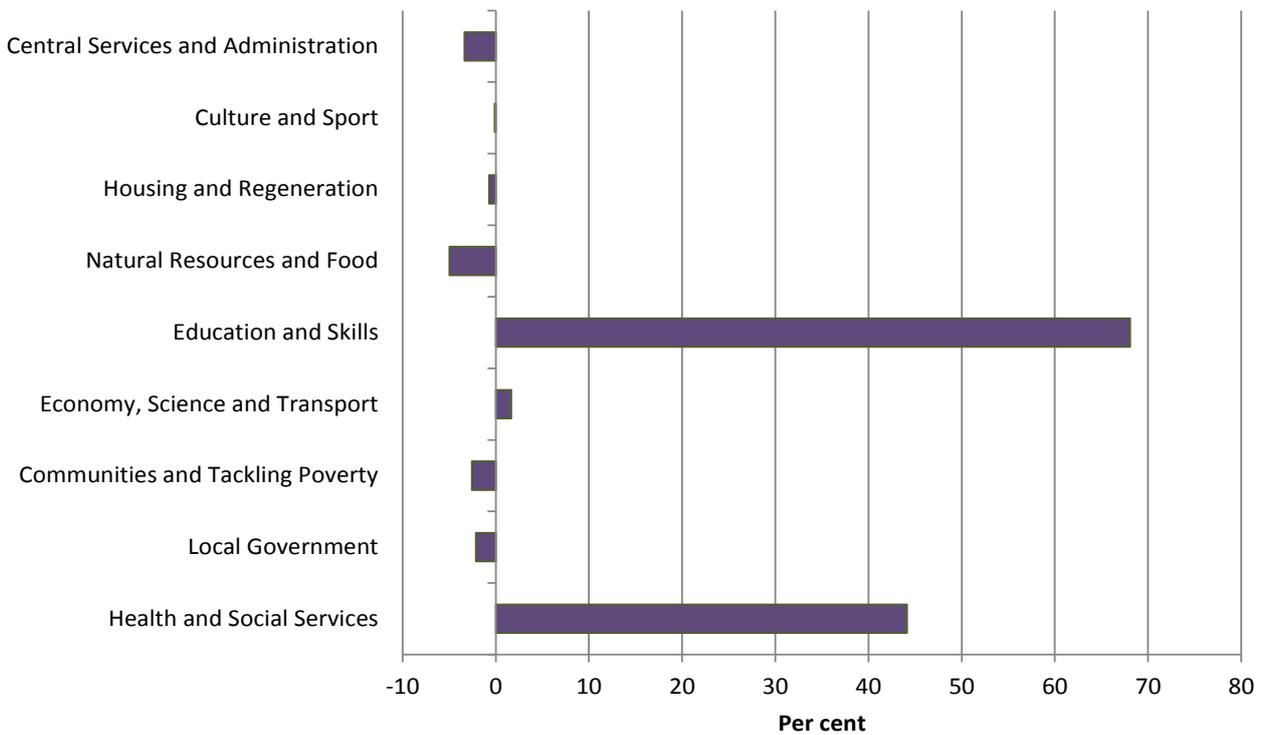
¹⁵ Figures may not add precisely, due to rounding.

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	2013-14	2013-14	Change from 2013-14		2013-14	Change from Final Budget		Change from Supplementary	
	Final	Supplementary	Final Budget (restated)		Supplementary	to Supplementary Budget		Budget (Jun 2013) to	
	Budget	Budget (June	to Supplementary		Budget (Feb	2013-14 (Feb 2014)		Supplementary Budget 2012-	
(restated)	2013)	Budget (June 2013)		Budget (Feb	2013-14 (Feb 2014)		2013-14 (Feb 2014)		
£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent	
Health and Social Services	5,974,068	5,940,553	-33,515	-0.6	6,141,297	167,229	2.8	200,744	3.4
Local Government	4,412,843	4,714,908	302,065	6.8	4,705,164	292,321	6.6	-9,744	-0.2
Communities and Tackling Poverty	174,863	187,556	12,693	7.3	175,891	1,028	0.6	-11,665	-6.2
Economy, Science and Transport	536,596	535,288	-1,308	-0.2	542,779	6,183	1.2	7,491	1.4
Education and Skills	1,692,299	1,658,658	-33,641	-2.0	1,968,357	276,058	16.3	309,699	18.7
Natural Resources and Food	324,314	327,278	2,964	0.9	304,676	-19,638	-6.1	-22,602	-6.9
Housing and Regeneration	175,888	175,905	17	0.0	172,593	-3,295	-1.9	-3,312	-1.9
Culture and Sport	125,465	125,498	33	0.0	125,018	-447	-0.4	-480	-0.4
Central Services and Administration	321,973	318,859	-3,114	-1.0	303,620	-18,353	-5.7	-15,239	-4.8
Total Welsh Government Revenue DEL									
Allocations	13,738,309	13,984,503	246,194	1.8	14,439,395	701,086	5.1	454,892	3.3
Revenue Reserves	209,407	144,491	-64,916	-31.0	101,859	-107,548	-51.4	-42,632	-29.5
Capital Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Assembly Commission	48,700	48,700	0	0.0	48,000	-700	-1.4	-700	-1.4
Auditor General for Wales	5,224	5,224	0	0.0	5,411	187	3.6	187	3.6
Public Services Ombudsman for Wales	4,131	4,131	0	0.0	4,131	0	0.0	0	0.0
Direct Charges	645	645	0	0.0	645	0	0.0	0	0.0
Total Wales Revenue DEL	14,006,416	14,187,694	181,278	1.3	14,599,441	593,025	4.2	411,747	2.9

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 2013-14, and also since the final budget 2013-14.

Since the first supplementary budget 2013-14, capital DEL in the Welsh block has increased by £30.9 million,¹⁶ or 2.4%. This is entirely due to baseline adjustments of:

- £29.8 million transfers from UK Government;
- £1.2 million carried forward under BES;

Overall, this supplementary budget allocates an additional £103.3 million (8.4%) in capital DEL to Welsh Government departments. This is due to:

- allocations of £94.4 million from reserves;
- £8.9 million increase as a result of transfers from revenue to capital within MEGs.

In comparison to the first supplementary budget for 2013-14 the greatest changes in capital DEL allocations to Welsh Government MEGS are as follows:

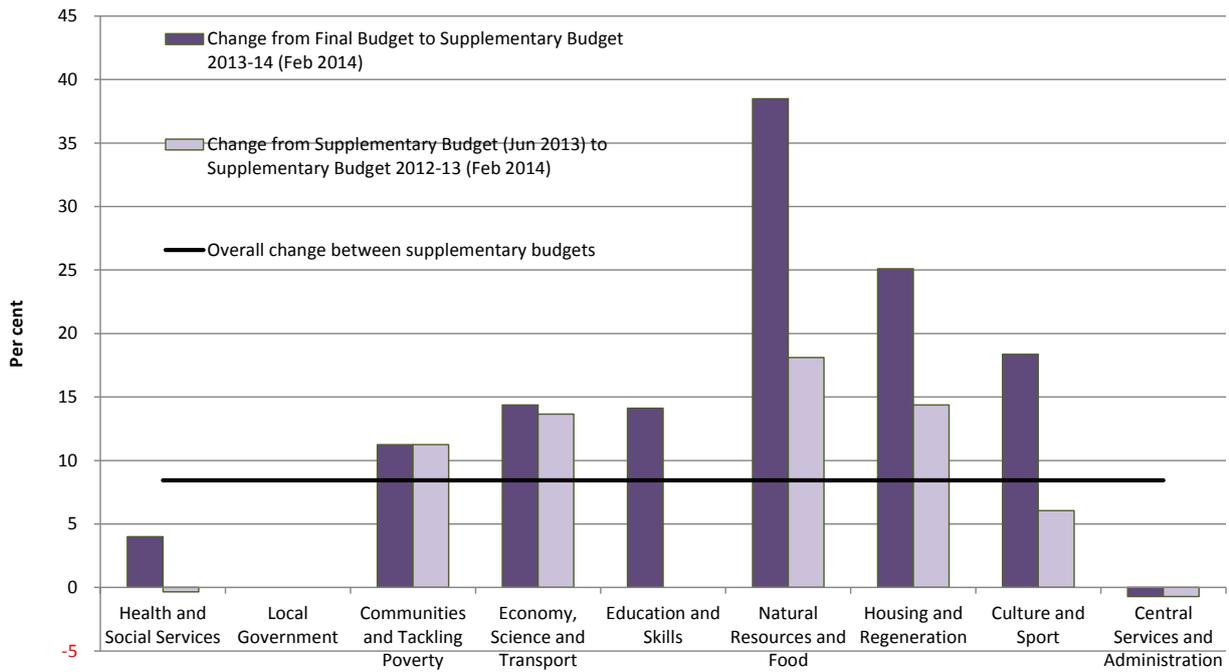
- The largest cash increase is seen in the Economy, Science and Transport MEG: £43.3 million, or 13.6%.
- The largest percentage increase is seen in the Natural Resources and Food MEG: £15.7 million, or 18.1%.
- The largest cash reduction is seen in the Health and Social Services MEG: £0.8 million, or 0.3%.
- The largest percentage reduction is seen in the Central Services and Administration MEG: £0.2 million, or 0.7%.

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 2013-14.

Figure 6 shows what percentage of the additional £103.3 million capital DEL has been allocated to each MEG in this supplementary budget.

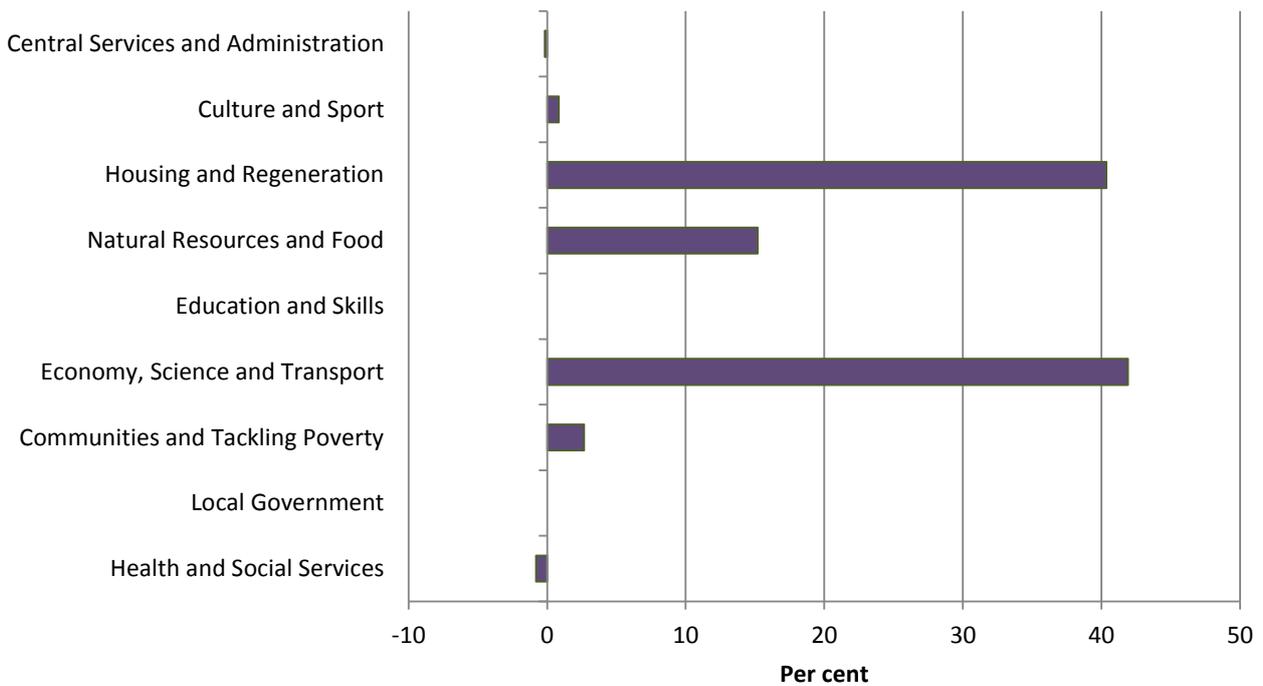
¹⁶ Figures may not add precisely, due to rounding.

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	2013-14	2013-14	Change from 2013-14		2013-14	Change from Final Budget		Change from Supplementary	
	Final	Supplementary	Final Budget (restated)		Supplementary	to Supplementary Budget		Budget (Jun 2013) to	
	Budget	Budget (June	to Supplementary		Budget (Feb	2013-14 (Feb 2014)		Supplementary Budget 2012-	
(restated)	2013)	Budget (June 2013)		2014)	2013-14 (Feb 2014)		13 (Feb 2014)		
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
Health and Social Services	231,550	241,650	10,100	4.4	240,821	9,271	4.0	-829	-0.3
Local Government	22,920	22,920	0	0.0	22,920	0	0.0	0	0.0
Communities and Tackling Poverty	24,450	24,450	0	0.0	27,200	2,750	11.2	2,750	11.2
Economy, Science and Transport	315,296	317,321	2,025	0.6	360,626	45,330	14.4	43,305	13.6
Education and Skills	177,134	202,134	25,000	14.1	202,134	25,000	14.1	0	0.0
Natural Resources and Food	73,884	86,624	12,740	17.2	102,316	28,432	38.5	15,692	18.1
Housing and Regeneration	265,170	290,025	24,855	9.4	331,725	66,555	25.1	41,700	14.4
Culture and Sport	12,744	14,224	1,480	11.6	15,084	2,340	18.4	860	6.0
Central Services and Administration	23,813	23,813	0	0.0	23,642	-171	-0.7	-171	-0.7
Total Welsh Government Capital DEL									
Allocations	1,146,961	1,223,161	76,200	6.6	1,326,468	179,507	15.7	103,307	8.4
Revenue Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Capital Reserves	869	80,160	79,291	9,124.4	7,749	6,880	791.7	-72,411	-90.3
Assembly Commission	750	750	0	0.0	750	0	0.0	0	0.0
Auditor General for Wales	20	20	0	0.0	20	0	0.0	0	0.0
Public Services Ombudsman for Wales	13	13	0	0.0	13	0	0.0	0	0.0
Direct Charges	0	0	0	0.0	0	0	0.0	0	0.0
Total Wales Capital DEL	1,148,613	1,304,104	155,491	13.5	1,335,000	186,387	16.2	30,896	2.4

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 2013-14, and also since the final budget 2013-14.

Since the first supplementary budget 2013-14, AME in the Welsh block has increased by £85.8 million, or 27.0%. This is due to:

- additional AME allocations to Welsh Government MEGs of £85.1 million;
- additional AME allocations to the Assembly Commission of £0.7 million.

Overall, this supplementary budget allocates an additional £85.1 million (26.8%) in AME to Welsh Government departments.

Table 5: Changes to AME

Main Expenditure Group	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2012- 13 (Feb 2014)	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
Health and Social Services	94,574	136,890	42,316	44.7	159,336	64,762	68.5	22,446	16.4
Local Government	24,488	21,856	-2,632	-10.7	18,507	-5,981	-24.4	-3,349	-15.3
Communities and Tackling Poverty	0	0	0	0.0	0	0	0.0	0	0.0
Economy, Science and Transport	47,918	47,918	0	0.0	47,362	-556	-1.2	-556	-1.2
Education and Skills	176,869	176,869	0	0.0	241,867	64,998	36.7	64,998	36.7
Natural Resources and Food	0	0	0	0.0	3,600	3,600	..	3,600	..
Housing and Regeneration	-71,000	-71,000	0	0.0	-73,000	-2,000	2.8	-2,000	2.8
Culture and Sport	2,740	2,740	0	0.0	2,740	0	0.0	0	0.0
Central Services and Administration	1,634	1,551	-83	-5.1	1,473	-161	-9.9	-78	-5.0
Total Welsh Government AME									
Allocations	277,223	316,824	39,601	14.3	401,885	124,662	45.0	85,061	26.8
Revenue Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Capital Reserves	0	0	0	0.0	0	0	0.0	0	0.0
Assembly Commission	500	500	0	0.0	1,200	700	140.0	700	140.0
Auditor General for Wales	0	0	0	0.0	0	0	0.0	0	0.0
Public Services Ombudsman for Wales	-202	-202	0	0.0	-202	0	0.0	0	0.0
Direct Charges	0	0	0	0.0	0	0	0.0	0	0.0
Total Wales AME	277,521	317,122	39,601	14.3	402,883	125,362	45.2	85,761	27.0

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 £442.6 million;¹⁷ comprising an increase of £411.7 million in revenue DEL plus an increase of £30.9 million capital DEL. These changes are due to baseline adjustments:

- £358.4 million transfers from UK Government; and
- £84.2 million carried forward under BES.¹⁸

These adjustments are detailed in [table 6](#), which also shows the revenue changes separated into fiscal¹⁹ and non-fiscal.²⁰

Together with the £85.8 million increase in AME, these changes account for the overall increase of £528.4 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:	2.26	326.45	328.71	29.74
From HM Treasury for Coastal Communities Fund	1.45		1.45	
From Ministry of Justice for Abolition of Administrative Justice and Tribunals Council	0.04		0.04	
From Department for Education for Open University Teacher Training	0.17		0.17	
Autumn Statement 2013 consequentials	0.60		0.60	
From HM Treasury to cover student loan stock charge and increase in Resource Accounting and Budgeting charge rate		326.45	326.45	
From DCMS for Next Generation Broadband				21.95
From DECC for Green Deal				7.79
Carry forward under Budget Exchange System	71.90	11.10	83.00	1.20
Total baseline adjustments	74.16	337.55	411.71	30.94

Source: Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

¹⁷ Figures may not add to totals exactly, due to rounding.

¹⁸ **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.

¹⁹ **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.

²⁰ **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.

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 2013-14:

- Revenue reserves have reduced by £42.6 million, this is the net result of:
 - An increase of £413.3 million as a result of baseline adjustments;
 - allocations from reserves of £546.1 million to Welsh Government departments; and
 - transfers into reserves of £90.2 million from Welsh Government departments.
- Capital reserves have decreased by £72.4 million, this is the net result of:
 - an increase of £45.6 million as a result of baseline adjustments;
 - allocations from reserves of £118 million to Welsh Government departments.

Following these movements, the **fiscal revenue reserve is £50.8 million**, the **non-fiscal reserve is £51.1 million**, and the **capital reserve is £7.8 million**. This is the remaining unallocated reserve to deal with any pressures prior to the end of the 2013-14 financial year.

The narrative accompanying the supplementary budget provides an annex detailing the recurrent implications of allocations made from reserves which will impact in future years.²¹ This indicates that recurrent allocations commit a further £294.7 million from reserves in 2014-15 and £383.3 million in 2015-16. [Table 7](#) provides the headline movements on reserves within each MEG due to the number of allocations to and from reserves within each MEG.

²¹ Welsh Government, [Supplementary Budget 2013-14 Explanatory Note](#), February 2014 (Annex 2, page 70) [accessed 21 February 2014]

Table 7: Movement on Reserves

Reserve	Fiscal £ millions	Non fiscal £ millions	Capital £ millions
Reserve at Supplementary Budget 2013-14 (Jun 2013)	73.71	70.78	80.16
Carried forward under Budget Exchange System	71.95	11.08	1.18
Receipts into reserves			
Savings identified from Welsh Government MEGs	89.92	0.26	0.00
Local Government	9.49	0.26	
Communities and Tackling Poverty	11.67		
Economy, Science and Transport	11.00		
Education and Skills	26.38		
Natural Resources and Food	18.80		
Housing and Regeneration	4.76		
Culture and Sport	0.57		
Central Services and Administration	7.25		
Transfers	3.81	326.45	44.40
Consequentials from Autumn Statement 2013	0.58		
Wind farm income from Natural Resources Wales	0.87		
Finance Wales in year loan repayments			14.65
UK Government transfers to Education and Skills	0.17	326.45	
UK Government transfers to Housing and Regeneration	1.45		
UK Government transfers to Central Services and Administration	0.04		
UK Government transfers to Economy, Science and Transport			21.96
UK Government Transfers to Natural Resources and Food			7.79
Return of Assembly Commission funding	0.70		
Allocations from reserves	-188.62	-357.48	-117.98
2012-13 Health and Social Services and Education and Skills brokerage agreement	-3.10		
Additional allocations to Health and Social Services	-192.60		
Allocation to Education and Skills for Open University Teacher Training	-0.17		
Allocation to Housing and Regeneration for Coastal Communities Fund	-1.45		
Allocation to Central Services and Administration for Abolition of Administrative Justice and Tribunals Council	-0.04		
Allocation to Education and Skills for student loans		-331.00	
Allocations to Economy, Science and Transport for depreciation		-18.49	
Allocations to Natural Resources and Food for depreciation		-5.49	
Allocations to Central Services and Administration for depreciation		-2.50	
WIP allocations to Economy, Science and Transport			-38.00
WIP allocations to Housing and Regeneration			-39.50
WIP allocations to Culture and Sport			-1.06
Allocation to Communities and Tackling Poverty for Gypsy and Traveller sites			-0.75
Revenue to capital switches	8.93		-8.93
Allocation to Economy, Science and Transport for Superfast Cymru			-21.96
Allocation to Natural Resources and Food for Green Deal			-7.79
Wales Audit Office additional funding	-0.19		
Reserve at Supplementary Budget 2013-14 (Feb 2014)	50.77	51.09	7.75

Source: Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

4.1. Wales Infrastructure Investment Plan allocations

This supplementary budget provides for the allocation of £79.3 million in line with the priorities of the Wales Infrastructure Investment Plan. The allocations include £10.3 million of traditional capital funding and £69 million of financial transactions funding. These allocations are shown in [table 8](#).

Table 8: Wales Infrastructure Investment Plan allocations, Supplementary Budget 2013-14 (Feb 2014)

Project	<i>£ millions</i> 2013-14
Economy, Science and Transport	
South East Wales Integrated Transport	3.5
Barry Island Link Road	2.0
Investment Funds for SMEs	32.5
Housing and Regeneration	
Help to Buy Cymru	34.5
Social Housing Grant	5.0
Gypsy Traveller Sites	0.8
Culture and Sport	
National Library of Wales	1.1
Total	79.3

Source: Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

Note:

The allocations for the Barry Island Link Road, Investment Funds for SMEs and Help to Buy Cymru are financial transactions funding. These are not traditional grants, and can only be used for loan and equity purposes. A proportion of the funding has to be repaid to the Exchequer.

5. Transfers between Departments

This supplementary budget makes a number of transfers between MEGs, which are detailed in [table 9](#). The net impact of these transfers is zero overall.

There have also been a number of transfers within MEGs at this supplementary budget, including the transfers between revenue and capital discussed in [section 2.2](#). These transfers are discussed in the following sections in relation to each MEG.

Table 9: Transfers between MEGs

From	£000s	To	£000s	Description
REVENUE TRANSFERS				
Health and Social Services (HSS)				
				Net movement: 8,144
CSA: Invest to Save Fund	-12,224	HSS: Delivery of Core NHS Services	12,224	Invest to Save projects including £7.4 million to meet demands and service pressures from the Francis Review.
HSS: Delivery of Core NHS Services	-1,014	CSA: Invest to Save Fund Repayment of Investments	1,014	Repayment of investments
HSS: Delivery of Targeted NHS Services	-547	CSA: Staff Costs	547	Running costs of National Leadership and Innovation Agency for Healthcare
HSS: Delivery of Targeted NHS Services	-619	CSA: Academi Wales	619	Operational costs of National Leadership and Innovation Agency for Healthcare
HSS: Delivery of Core NHS Services	-1,900	E&S: Post 16 Learner Support	1,900	Payments to Cardiff University to support medical and dental training.
Education and Skills (ES)				
				Net movement: 1,810
HSS: Delivery of Core NHS Services	-1,900	E&S: Post 16 Learner Support	1,900	Payments to Cardiff University to support medical and dental training.
ES: Employment and Skills	-90	CS: Support and sustain a strong arts sector via the Arts Council and others	90	Not detailed as less than £250,000
Natural Resources and Food (NRF)				
				Net movement: -517
NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	-37	CSA: International Development	37	Not detailed as less than £250,000.
NRF: Sponsor and Manage Delivery Bodies	-450	CSA: Staff Costs	450	Pay costs of former Forestry Commission staff who have transferred into the Welsh Government
NRF: CAP Administration and making payments in accordance with EU and WG rules	-30	CSA: Tribunals	30	Not detailed as less than £250,000.
Culture and Sport (CS)				
				Net movement: 90
ES: Employment and Skills	-90	CS: Support and sustain a strong arts sector via the Arts Council and others	90	Not detailed as less than £250,000
Central Services and Administration (CSA)				
				Net movement: -9,527
HSS: Delivery of Core NHS Services	-1,014	CSA: Invest to Save Fund Repayment of Investments	1,014	Repayment of investments
HSS: Delivery of Targeted NHS Services	-547	CSA: Staff Costs	547	Running costs of National Leadership and Innovation Agency for Healthcare
HSS: Delivery of Targeted NHS Services	-619	CSA: Academi Wales	619	Operational costs of National Leadership and Innovation Agency for Healthcare
NRF: Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	-37	CSA: International Development	37	Not detailed as less than £250,000.
NRF: CAP Administration and making payments in accordance with EU and WG rules	-30	CSA: Tribunals	30	Not detailed as less than £250,000.
NRF: Sponsor and Manage Delivery Bodies	-450	CSA: Staff Costs	450	Pay costs of former Forestry Commission staff who have transferred into the Welsh Government
CSA: Invest to Save Fund	-12,224	HSS: Delivery of Core NHS Services	12,224	Invest to Save projects including £7.4 million to meet demands and service pressures from the Francis Review.
CAPITAL TRANSFERS				
Health and Social Services (HSS)				
				Net movement: -829
HSS: NHS Delivery	-1,000	CTP: Communities and Tackling Poverty	1,000	Developing infrastructure for Flying Start
CSA: Invest to Save Fund	-171	HSS: NHS Delivery	171	Not detailed as less than £250,000
Communities and Tackling Poverty (CTP)				
				Net movement: 2,000
HSS: NHS Delivery	-1,000	CTP: Communities and Tackling Poverty	1,000	Developing infrastructure for Flying Start
CSA: Capital	-1,000	CTP: Communities and Tackling Poverty	1,000	New and refurbished sites for gypsies and travellers
Housing and Regeneration (HR)				
				Net movement: 200
CS: Conserve, protect, sustain and promote access to the historic environment	-200	HR: Regeneration	200	Not detailed as less than £250,000
Culture and Sport (CS)				
				Net movement: -200
CS: Conserve, protect, sustain and promote access to the historic environment	-200	HR: Regeneration	200	Not detailed as less than £250,000
Central Services and Administration (CSA)				
				Net movement: -1,171
CSA: Capital	-1,000	CTP: Communities and Tackling Poverty	1,000	New and refurbished sites for gypsies and travellers
CSA: Invest to Save Fund	-171	HSS: NHS Delivery	171	Not detailed as less than £250,000

Source: Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

6. Health and Social Services (HSS)

Table 10 summarises changes at the SPA levels in the HSS MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the HSS MEG²²:

- Shows an increase in TME of £222.4 million, or 3.5%.
- This consists of a £199.9 million (3.2%) increase in total DEL, and a £22.4 million (16.4%) increase in AME.
- The change in total DEL comprises an increase of £200.7 million (3.4%) in revenue DEL and a decrease of £0.8 million (0.4%) in capital DEL.

The £200.7 million increase in revenue DEL comprises:

- £150 million announced by the Minister for Finance in October 2013 to meet new demands and address service pressures arising from the Francis Review. Of this, £142.6 million is to be funded from reserves, with the remaining £7.4 million from the Invest to Save Action in the Central Services and Administration MEG. Of the £150 million additional funding, £16.4 million relates to additional anticipated costs of new immunisation costs, Kalydeco drug funding and voluntary early retirement packages.²³
- £50 million to be held within the MEG as a contingency measure in the event that some Local Health Boards are unable to achieve a breakeven position at the end of the financial year. A letter from the Welsh Government to the Chair of the Public Accounts Committee stated that the estimated overall deficit position of Local Health Boards at the end of January 2014 was just under £77 million, and that the Welsh Government expects further positive movement before the end of the financial year.²⁴

The £0.8 million reduction in capital DEL comprises:

- £1 million transferred to the *Communities and Tackling Poverty* action in the Communities and Tackling Poverty MEG in respect of developing infrastructure to deliver Flying Start.
- £0.2 million transferred into the *NHS Delivery* action as shown in **table 7**.

The £22.4 million increase in AME reflects changes to the latest forecasts for provisions and impairments related to the NHS.

²² Figures may not add to totals exactly, due to rounding.

²³ National Assembly for Wales, Public Accounts Committee, [PAC\(4\)-06-14 Paper 4: Further evidence on Health Finances](#), page 1, 6 February 2014 [accessed 21 February 2014]

²⁴ Ibid. pages 5-6

Table 10: Changes to HSS allocations

Spending Programme Area (SPA)	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2013-14 (Feb 2014)	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
REVENUE DEL									
NHS Delivery	5,494,916	5,494,916	0	0.0	5,707,301	212,385	3.9	212,385	3.9
Health Central Budgets	228,904	228,904	0	0.0	219,355	-9,549	-4.2	-9,549	-4.2
Public Health & Prevention	158,001	157,392	-609	-0.4	155,300	-2,701	-1.7	-2,092	-1.3
Social Services	82,085	49,179	-32,906	-40.1	49,179	-32,906	-40.1	0	0.0
CAFCASS Cymru	10,162	10,162	0	0.0	10,162	0	0.0	0	0.0
TOTAL REVENUE	5,974,068	5,940,553	-33,515	-0.6	6,141,297	167,229	2.8	200,744	3.4
CAPITAL DEL									
NHS Delivery	217,275	227,375	10,100	4.6	226,546	9,271	4.3	-829	-0.4
Health Central Budgets	5,072	5,072	0	0.0	5,072	0	0.0	0	0.0
Public Health & Prevention	4,492	4,492	0	0.0	4,492	0	0.0	0	0.0
Social Services	4,711	4,711	0	0.0	4,711	0	0.0	0	0.0
TOTAL CAPITAL	231,550	241,650	10,100	4.4	240,821	9,271	4.0	-829	-0.4
AME									
NHS Impairments and Provisions	94,574	136,890	42,316	44.7	159,336	64,762	68.5	22,446	16.4
TOTAL AME	94,574	136,890	42,316	44.7	159,336	64,762	68.5	22,446	16.4
Revenue DEL	5,974,068	5,940,553	-33,515	-0.6	6,141,297	167,229	2.8	200,744	3.4
Capital DEL	231,550	241,650	10,100	4.4	240,821	9,271	4.0	-829	-0.4
TOTAL DEL	6,205,618	6,182,203	-23,415	-0.4	6,382,118	176,500	2.8	199,915	3.2
Annually Managed Expenditure	94,574	136,890	42,316	44.7	159,336	64,762	68.5	22,446	16.4
TOTAL HSS	6,300,192	6,319,093	18,901	0.3	6,541,454	241,262	3.8	222,361	3.5

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

In addition to these changes, there have been a number of internal transfers within the HSS MEG; these are shown at action²⁵ level in [table 11](#).

Table 11: Transfers within HSSC MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Delivery of Targeted Services	-169,740		Delivery of Core Services	169,740		Transfer of the depreciation budget
Delivery of Targeted Services	-6,900		Delivery of Core Services	6,900		Funding for the GMS Contract and Primary Care Estates Forum projects
Delivery of Targeted Services	-1,261		Delivery of Core Services	1,261		Funding for the Skipton Fund and Caxton Foundation
Delivery of Targeted Services	-567		Delivery of Core Services	567		Relates to the Dental contract
Delivery of Targeted Services	-500		Delivery of Core Services	500		Relates to the Pharmacy contract
Support Mental Health Policies and Legislation	-3,500		Delivery of Core Services	3,500		LHB core allocation to fund the Mental Health Measure
Targeted Health and Immunisation Unknown	-1,575		Delivery of Core Services	1,575		Vaccine costs in the GMS contract
Delivery of Core Services	-220		Delivery of Core Services	220		Transfers less than £250,000 are not detailed
Delivery of Core Services	-1,525		Delivery of Targeted Services	1,525		Wales Eye Care Services
Delivery of Core Services	-589		Delivery of Targeted Services	589		Shared services
Support Education and Training of the NHS Workforce	-3,755		Delivery of Targeted Services	3,755		To manage in-year pressures
Support Mental Health Policies and Legislation	-1,178		Delivery of Targeted Services	1,178		To manage in-year pressures
Hospice Support	-404		Delivery of Targeted Services	404		To manage in-year pressures
Deliver the Substance Misuse Strategy Implementation Plan	-460		Delivery of Targeted Services	460		To manage in-year pressures
Sponsorship of Public Health Bodies	-548		Delivery of Targeted Services	548		To manage in-year pressures
Deliver Targeted Health Protection and Immunisation Activity	-1,464		Delivery of Targeted Services	1,464		To manage in-year pressures
Promote Healthy Improvement and Healthy Working	-2,291		Delivery of Targeted Services	2,291		To manage in-year pressures
Develop and Implement Research and Development for Patient and Public Benefit	-2,612		Delivery of Targeted Services	2,612		To manage in-year pressures
Unknown	-517		Delivery of Targeted Services	517		Transfers less than £250,000 are not detailed - possible this amount is for more than one transfer of less than £250,000
Unknown	-95		Support Education and Training of the NHS Workforce	95		Transfers less than £250,000 are not detailed
Support Mental Health Policies and Legislation	-337		Unknown	337		Transfers less than £250,000 are not detailed - possible this amount is for more than one transfer of less than £250,000
Delivery of Targeted Services	-4,417		Sponsorship of Public Health Bodies	4,417		Transfer of NLIH functions to Public Health Wales
Delivery of Core Services	-617		Sponsorship of Public Health Bodies	617		In respect of Abdominal Aortic Aneurysm
Promote Healthy Improvement and Healthy Working	-85		Unknown	85		Transfers less than £250,000 are not detailed
Delivery of Targeted Services	-1,849		Effective Health Emergency Preparedness Arrangements	1,849		Reprocessing expired pandemic flu drugs
Care Council for Wales	-378		Social Services Strategy	378		To support training costs associated with implementation of Social Services and Wellbeing Bill.
Total transfers	-207,384	0		207,384	0	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

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

7. Local Government (LG)

Table 12 summarises changes at the SPA levels in the LG MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the LGC MEG²⁶:

- Shows a decrease in TME of £13.1 million, or 0.3%.
- This consists of a £9.7 million (0.2%) decrease in total DEL, and a £3.3 million (15.3%) decrease in AME.
- The change in total DEL is entirely comprised of a decrease of £9.7 million (0.7%) in revenue DEL.

The £9.7 million decrease in revenue DEL is entirely made up of transfers to reserves, and comprises:

- £9.5 million as a contribution to managing in-year pressures, as shown in **table 7**.
- £0.3 million non-fiscal resource in respect of a reduced requirement to fund depreciation costs.

There has been a reduction of £3.3 million in the AME associated with *the Funding Support for Local Government* action in relation to Fire Service pensions.

In addition to these changes, there have been a number of internal transfers within the LG MEG; these are shown at action level in **table 13**. The net impact of these transfers is zero overall.

²⁶ Figures may not add to totals exactly, due to rounding.

Table 12: Changes to LGC allocations

Spending programme area (SPA)	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2013- 14 (Feb 2014)	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
REVENUE DEL									
Local Government Funding	4,325,747	4,628,294	302,547	7.0	4,623,297	297,550	6.9	-4,997	-0.1
Safer Communities	16,701	16,373	-328	-2.0	15,262	-1,439	-8.6	-1,111	-6.8
Improving Services, Collaboration and Democracy	40,979	40,825	-154	-0.4	39,281	-1,698	-4.1	-1,544	-3.8
Care & Social Services Inspectorate	14,461	14,461	0	0.0	13,912	-549	-3.8	-549	-3.8
Healthcare Inspectorate Wales	2,591	2,591	0	0.0	2,762	171	6.6	171	6.6
Estyn	12,364	12,364	0	0.0	10,650	-1,714	-13.9	-1,714	-13.9
TOTAL REVENUE	4,412,843	4,714,908	302,065	6.8	4,705,164	292,321	6.6	-9,744	-0.2
CAPITAL DEL									
Local Government Funding	20,000	20,000	0	0.0	20,000	0	0.0	0	0.0
Safer Communities	2,639	2,639	0	0.0	2,789	150	5.7	150	5.7
Estyn	281	281	0	0.0	131	-150	-53.4	-150	-53.4
TOTAL CAPITAL	22,920	22,920	0	0.0	22,920	0	0.0	0	0.0
AME									
Local Government Funding	24,488	21,856	-2,632	-10.7	18,507	-5,981	-24.4	-3,349	-15.3
TOTAL AME	24,488	21,856	-2,632	-10.7	18,507	-5,981	-24.4	-3,349	-15.3
Revenue DEL	4,412,843	4,714,908	302,065	6.8	4,705,164	292,321	6.6	-9,744	-0.2
Capital DEL	22,920	22,920	0	0.0	22,920	0	0.0	0	0.0
TOTAL DEL	4,435,763	4,737,828	302,065	6.8	4,728,084	292,321	6.6	-9,744	-0.2
Annually Managed Expenditure	24,488	21,856	-2,632	-10.7	18,507	-5,981	-24.4	-3,349	-15.3
TOTAL LG	4,460,251	4,759,684	299,433	6.7	4,746,591	286,340	6.4	-13,093	-0.3

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

Table 13: Transfers within LGC MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Estyn	-184		Valuation Services	184		Transfers less than £250,000 are not detailed
Estyn	-184		Local Government Improvement	184		Transfers less than £250,000 are not detailed
Estyn	-171		Healthcare Inspectorate Wales	171		Transfers less than £250,000 are not detailed
Fire and Rescue Resilience		-332	Domestic Abuse		332	Grants not fully utilised this year
Fire and Rescue Services National Framework		-31	Domestic Abuse		31	Transfers less than £250,000 are not detailed
Estyn		-150	Domestic Abuse		150	Transfers less than £250,000 are not detailed
Total transfers	-539	-513		539	513	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

8. Communities and Tackling Poverty (CTP)

[Table 14](#) summarises changes at the SPA levels in the CTP MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the CTP MEG²⁷:

- Shows a decrease in TME of £8.9 million, or 4.2%.
- This consists entirely of a £8.9 million (4.2%) decrease in total DEL.
- The change in total DEL comprises a decrease of £11.7 million (6.2%) in revenue DEL and an increase of £2.8 million (11.2%) in capital DEL.

The £11.7 million decrease in revenue DEL is entirely made up of transfers to reserves, and comprises:

- £9.1 million from the *Tackling Poverty* action
- £2 million from the *Children, Young People and Families* action; and
- £0.6 million from the *Third Sector* action

The £2.8 million increase in capital DEL comprises:

- £1 million transferred to the *Communities and Tackling Poverty* action in respect of developing infrastructure to deliver Flying Start.
- £1.8 million transferred into the *Communities and Tackling Poverty* action in respect of new and refurbished sites for gypsies and travellers.

In addition to these changes, there have been a number of internal transfers within the CTP MEG; these are shown at action level in [table 15](#). The net impact of these transfers is zero overall.

²⁷ Figures may not add to totals exactly, due to rounding.

Table 14: Changes to CTP allocations

Spending Programme Area (SPA)	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
REVENUE DEL									
Children, Young People and Families	117,538	117,538	0	0.0	116,106	-1,432	-1.2	-1,432	-1.2
Supporting Communities and People	54,704	67,097	12,393	22.7	56,690	1,986	3.6	-10,407	-15.5
Sustainable Development and Equality	2,621	2,921	300	11.4	3,095	474	18.1	174	6.0
TOTAL REVENUE	174,863	187,556	12,693	7.3	175,891	1,028	0.6	-11,665	-6.2
CAPITAL DEL									
Communities and Tackling Poverty	24,450	24,450	0	0.0	27,200	2,750	11.2	2,750	11.2
TOTAL CAPITAL	24,450	24,450	0	0.0	27,200	2,750	11.2	2,750	11.2
AME									
TOTAL AME	0	0	0	0.0	0	0	..	0	..
Revenue DEL	174,863	187,556	12,693	7.3	175,891	1,028	0.6	-11,665	-6.2
Capital DEL	24,450	24,450	0	0.0	27,200	2,750	11.2	2,750	11.2
TOTAL DEL	199,313	212,006	12,693	6.4	203,091	3,778	11.8	-8,915	-4.2
Annually Managed Expenditure	0	0	0	0.0	0	0	..	0	..
TOTAL CTP	199,313	212,006	12,693	6.4	203,091	3,778	1.9	-8,915	-4.2

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

Table 15: Transfers within CTP MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Tackling Poverty	-568		Children, Young People and Families	568		Additional funding for play
Tackling Poverty	-174		Sustainable Development and Equality	174		Transfers less than £250,000 are not detailed
Total transfers	-742	0		742	0	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

9. Economy, Science and Transport (EST)

Table 16 summarises changes at the SPA levels in the EST MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the EST MEG²⁸:

- Shows an increase in TME of £50.2 million, or 5.6%.
- This consists of a £50.8 million (6.0%) increase in total DEL, and a £0.6 million (1.2%) decrease in AME.
- The change in total DEL comprises an increase of £7.5 million (1.4%) in revenue DEL and an increase of £43.3 million (13.6%) in capital DEL.

The £7.5 million increase in revenue DEL consists entirely of allocations from reserves, and is made up of:

- Transfers in from reserves of £18.5 million including £17 million into the *Improve and Maintain Trunk Road Network (Domestic Routes)* non-fiscal resource action and £1.5 million into the *Delivery ICT Infrastructure* non-fiscal resource action.
- Transfers to reserves of £11 million, as shown in [table 7](#).

The £43.3 million increase in capital DEL comprises:

- Transfer in of £22 million from the UK Government Department of Culture, Media and Sport relating to the Next Generation Broadband Wales project.
- Allocations of £21.4 million from reserves. These include £32.5 million financial transactions funding to the *Sectors* action and £3.5 million allocated to the South East Wales Integrated Transport project. These allocations are offset by a £14.7 million transfer out of the *Finance Wales* action for in-year loan repayments on borrowings made by Finance Wales.

The £0.6 million decrease in AME results from an increase of £12.2 million for impairments on the property portfolio, joint ventures and investments being offset by a decrease of £12.7 million relating to re-profiling of the completion of road schemes.

In addition to these changes, there have been a number of internal transfers within the EST MEG; these are shown at action level in [table 17](#). The net impact of these transfers is zero overall.

²⁸ Figures may not add to totals exactly, due to rounding.

Table 16: Changes to EST allocations

	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2013-14 (Feb 2014)		
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent	
REVENUE DEL										
Sectors and Business	52,397	51,089	-1,308	-2.5	50,580	-1,817	-3.5	-509	-1.0	
Science and Innovation	14,269	14,269	0	0.0	7,830	-6,439	-45.1	-6,439	-45.1	
Major Events	4,740	4,740	0	0.0	4,740	0	0.0	0	0.0	
Infrastructure	20,642	20,642	0	0.0	20,061	-581	-2.8	-581	-2.8	
Strategy & Corporate Programmes	10,138	10,138	0	0.0	11,491	1,353	13.3	1,353	13.3	
Motorway and Trunk Road Operations	174,212	174,212	0	0.0	191,212	17,000	9.8	17,000	9.8	
Rail and Air Services	173,179	173,179	0	0.0	178,179	5,000	2.9	5,000	2.9	
Sustainable Travel	82,302	82,302	0	0.0	74,339	-7,963	-9.7	-7,963	-9.7	
Improve Road Safety	4,717	4,717	0	0.0	4,347	-370	-7.8	-370	-7.8	
TOTAL Revenue	536,596	535,288	-1,308	-0.2	542,779	6,183	1.2	7,491	1.4	
CAPITAL DEL										
Sectors and Business	56,519	56,519	0	0.0	106,519	50,000	88.5	50,000	88.5	
Science & Innovation	3,613	3,613	0	0.0	3,613	0	0.0	0	0.0	
Infrastructure	36,456	36,456	0	0.0	32,411	-4,045	-11.1	-4,045	-11.1	
Strategy & Corporate Programmes	59	59	0	0.0	-14,591	-14,650	-24,830.5	-14,650	-24,830.5	
Motorway and Trunk Road Operations	48,551	48,551	0	0.0	57,051	8,500	17.5	8,500	17.5	
Road and Rail Investment	107,891	109,916	2,025	1.9	106,646	-1,245	-1.2	-3,270	-3.0	
Sustainable Travel	41,640	41,640	0	0.0	48,410	6,770	16.3	6,770	16.3	
Improve and Maintain Local Roads Infrastructure	13,667	13,667	0	0.0	13,667	0	0.0	0	0.0	
Improve Road Safety	6,900	6,900	0	0.0	6,900	0	0.0	0	0.0	
TOTAL Capital	315,296	317,321	2,025	0.6	360,626	45,330	14.4	43,305	13.6	
AME										
Infrastructure	20,000	20,000	0	0.0	32,152	12,152	60.8	12,152	60.8	
Motorway and Trunk Road Operations	27,918	27,918	0	0.0	15,210	-12,708	-45.5	-12,708	-45.5	
TOTAL AME	47,918	47,918	0	0.0	47,362	-556	-1.2	-556	-1.2	
Revenue DEL	536,596	535,288	-1,308	-0.2	542,779	6,183	1.2	7,491	1.4	
Capital DEL	315,296	317,321	2,025	0.6	360,626	45,330	14.4	43,305	13.6	
TOTAL DEL	851,892	852,609	717	0.1	903,405	51,513	6.0	50,796	6.0	
Annually Managed Expenditure	47,918	47,918	0	0.0	47,362	-556	-1.2	-556	-1.2	
TOTAL EST	899,810	900,527	717	0.1	950,767	50,957	5.7	50,240	5.6	

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

Table 17: Transfers within EST MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Sustainable Travel	-5,000		Rail and Air	5,000		To reflect a reprofiling in the required expenditure for concessionary fares from revenue to capital.
Innovation	-2,906		Sectors	2,906		To deliver priorities for the Life Science Hub and Wales Rally GB
Innovation	-2,000		Marketing	2,000		To support additional promotional activity to deliver growth and jobs
Legacy SIF		-2,500	Motorway and Trunk Road Operations		2,500	To comply with statutory maintenance duties on the road network.
Deliver ICT Infrastructure		-20,000	Sectors		20,000	To deliver capital projects for growth and jobs
Deliver ICT Infrastructure		-6,000	Motorway and Trunk Road Operations		6,000	To comply with statutory maintenance duties on the road network.
Road and Rail Schemes		-5,000	Sustainable Travel		5,000	To support capital requirement for concessionary fares funding
Total transfers	-9,906	-33,500		9,906	33,500	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

10. Education and Skills (E&S)

Table 18 summarises changes at the SPA levels in the E&S MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the E&S MEG²⁹:

- Shows an increase in TME of £374.7 million, or 18.4%.
- This consists of a £309.7 million (16.6%) increase in total DEL, and a £65 million (36.7%) increase in AME.
- The change in total DEL consists entirely of an increase of £309.7 million (18.7%) in revenue DEL.

The increase of £309.7 million in revenue DEL comprises:

- Transfer in of £326.5 million from HM Treasury in respect of student loan stock charges and an increase in the Resource Accounting and Budgeting (RAB) charge rate;
- Transfer in of £0.2 million from the UK Government Department for Education relating to funding students in Wales on Initial Teacher Training courses with the Open University.
- A net increase of £1.8 million as a result of transfers with other MEGs, as shown in **table 9**
- These increases are offset by a net allocation to reserves of £18.7 million, as set out in **table 7**. Of this, £26.4 million has been transferred to reserves as a contribution to managing in-year pressures, while £7.6 million has been transferred in from reserves to fund Careers Wales projects and to cover the student loan stock charge and an increase in the Resource Accounting and Budgeting (RAB) charge rate.

The £65 million increase 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 19**. The net impact of these transfers is zero overall.

²⁹ Figures may not add to totals exactly, due to rounding.

Table 18: Changes to E&S allocations

	2013-14 Final Budget (restated)	2013-14 Supplementary Budget (June 2013)	Change from 2013-14 Final Budget (restated) to Supplementary Budget (June 2013)		2013-14 Supplementary Budget (Feb 2014)	Change from Final Budget to Supplementary Budget 2013-14 (Feb 2014)		Change from Supplementary Budget (Jun 2013) to Supplementary Budget 2013- 14 (Feb 2014)	
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
REVENUE DEL									
Education and Training Standards	1,204,252	1,200,051	-4,201	-0.3	1,187,602	-16,650	-1.4	-12,449	-1.0
Skilled Workforce	79,903	74,903	-5,000	-6.3	64,548	-15,355	-19.2	-10,355	-13.8
Economic and Social Wellbeing and Reducing Inequality	379,019	354,579	-24,440	-6.4	687,291	308,272	81.3	332,712	93.8
Welsh Language	25,076	25,076	0	0.0	25,490	414	1.7	414	1.7
Delivery Support	4,049	4,049	0	0.0	3,426	-623	-15.4	-623	-15.4
TOTAL REVENUE	1,692,299	1,658,658	-33,641	-2.0	1,968,357	276,058	16.3	309,699	18.7
CAPITAL DEL									
Education and Training Standards	177,134	202,134	25,000	14.1	202,134	25,000	14.1	0	0.0
TOTAL CAPITAL	177,134	202,134	25,000	14.1	202,134	25,000	14.1	0	0.0
AME									
Improving Wellbeing, Reducing Inequality & Increasing Participation Skilled Workforce	-87,261	-87,261	0	0.0	-104,456	-17,195	19.7	-17,195	19.7
Improving Wellbeing, Reducing Inequality & Increasing Participation	0	0	0	0.0	6,000	6,000	..	6,000	..
Improving Wellbeing, Reducing Inequality & Increasing Participation	264,130	264,130	0	0.0	340,323	76,193	28.8	76,193	28.8
TOTAL AME	176,869	176,869	0	0.0	241,867	64,998	36.7	64,998	36.7
Revenue DEL	1,692,299	1,658,658	-33,641	-2.0	1,968,357	276,058	16.3	309,699	18.7
Capital DEL	177,134	202,134	25,000	14.1	202,134	25,000	14.1	0	0.0
TOTAL DEL	1,869,433	1,860,792	-8,641	-0.5	2,170,491	301,058	16.1	309,699	16.6
Annually Managed Expenditure	176,869	176,869	0	0.0	241,867	64,998	36.7	64,998	36.7
TOTAL E&S	2,046,302	2,037,661	-8,641	-0.4	2,412,358	366,056	17.9	374,697	18.4

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

Table 19: Transfers within E&S MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Literacy and Numeracy	-485	Unknown		485		Transfers less than £250,000 are not detailed - possible this amount is for more than one transfer of less than £250,000
Delivery Support	-5,926	Curriculum		5,926		Additional resource to the National Support Programme
Curriculum	-577	Unknown		577		Transfers less than £250,000 are not detailed - possible this amount is for more than one transfer of less than £250,000
Unknown	-55	Curriculum		55		Transfers less than £250,000 are not detailed
Teaching and Leadership	-2,985	Unknown		2,985		Contribution to managing in-year pressures within MEG
Post 16 Education	-2,294	Unknown		2,294		Contribution to managing in-year pressures within MEG
Post 16 Education	-350	Delivery Support		350		To contribute to Skills Cymru
Post 16 Education	-300	Delivery Support		300		To raise employer awareness of apprenticeship schemes and Young Recruits Programme
Unknown	-38	Post 16 Education		38		Transfers less than £250,000 are not detailed
Higher Education	-4,200	Post 16 Learner Support		4,200		For funding of the Welsh National Bursary Scheme
Unknown	-2,500	Higher Education		2,500		Transfer in to manage pressure on provision for education for University of the Heads of the Valleys
Unknown	-3,203	ICT and Information Management Systems		3,203		To manage funding pressures of Learning in Digital Wales broadband project
Youth Engagement and Employment	-2,265	Unknown		2,265		Contribution to managing in-year pressures within MEG
Wellbeing of Children and Young People	-1,440	Unknown		1,440		Contribution to managing in-year pressures within MEG
Post 16 Learner Support	-800	Unknown		800		Contribution to managing in-year pressures within MEG
Welsh in Education	-532	Unknown		532		Transfers less than £250,000 are not detailed - this amount is for more than one transfer of less than £250,000
Unknown	-946	Welsh Learning		946		Includes £545,000 to manage pressures against the Technology Fund and projects to support the Welsh language.
Delivery Support	-1,108	Unknown		1,108		Contribution to managing in-year pressures within MEG
Delivery Support	-135	Unknown		135		Transfers less than £250,000 are not detailed
Total transfers	-30,139	0		30,139	0	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

11. Natural Resources and Food (NRF)

Table 20 summarises changes at the SPA levels in the NRF MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the NRF MEG³⁰:

- Shows a decrease in TME of £3.3 million, or 0.8%.
- This consists of a £6.9 million (1.7%) decrease in total DEL, and an increase of £3.6 million in the AME budget.
- The change in total DEL comprises a decrease of £22.6 million (6.9%) in revenue DEL offset by an increase of £15.7 million (18.1%) in capital DEL.

The decrease of £22.6 million in revenue DEL comprises:

- Net transfer to reserves of £14.2 million, as shown in **table 7**, which includes a transfer to reserves of £18.8 million as a contribution to managing in-year pressures and £0.9 million transferred to reserves in respect of wind farm income received by Natural Resources Wales. These are offset by transfers in of £5.5 million relating to non-fiscal resource.
- A transfer of £0.5 million to other MEGs, as shown in **table 9**.
- A reduction of £7.9 million as a result of revenue to capital transfers within the MEG, as shown in **table 21**.

The increase of £15.7 million in capital DEL comprises:

- A transfer of £7.8 million from the UK Government Department of Energy and Climate Change in respect of the Green Deal, as shown in **table 6**.
- An increase of £7.9 million as a result of revenue to capital transfers within the MEG, as shown in **table 21**.

In addition to these changes, there have been a number of internal transfers within the NRF MEG; these are shown at action level in **table 21**. The net impact of these transfers is a £7.9 million reduction in revenue, with a corresponding increase in capital, as detailed above.

³⁰ Figures may not add to totals exactly, due to rounding.

Table 20: Changes to NRF allocations

	2013-14	2013-14	Change from 2013-14		2013-14	Change from Final		Change from	
	Final Budget (restated) £000	Supplementary Budget (June 2013) £000	Final Budget (restated) to Supplementary Budget (June 2013) £000	Per cent	Supplementary Budget (Feb 2014) £000	Budget to Supplementary Budget 2013-14 (Feb 2014) £000s	per cent	Supplementary Budget (Jun 2013) to Supplementary Budget £000s	per cent
REVENUE DEL									
Climate Change and Sustainability	118,558	118,778	220	0.2	110,500	-8,058	-6.8	-8,278	-7.0
Environment	85,159	87,783	2,624	3.1	94,383	9,224	10.8	6,600	7.5
Protecting & Improving Animal Health & Welfare	38,895	38,895	0	0.0	28,937	-9,958	-25.6	-9,958	-25.6
Evidence Base	1,136	1,136	0	0.0	1,165	29	2.6	29	2.6
Agriculture and Food	80,566	80,686	120	0.1	69,691	-10,875	-13.5	-10,995	-13.6
TOTAL REVENUE	324,314	327,278	2,964	0.9	304,676	-19,638	-6.1	-22,602	-6.9
CAPITAL DEL									
Climate Change and Sustainability	58,628	71,368	12,740	21.7	81,061	22,433	38.3	9,693	13.6
Environment	795	795	0	0.0	795	0	0.0	0	0.0
Evidence Base	38	38	0	0.0	38	0	0.0	0	0.0
Agriculture and Food	14,423	14,423	0	0.0	20,422	5,999	41.6	5,999	41.6
TOTAL CAPITAL	73,884	86,624	12,740	17.2	102,316	28,432	38.5	15,692	18.1
TOTAL AME	0	0	0	0.0	3,600	3,600	..	3,600	..
Revenue DEL	324,314	327,278	2,964	0.9	304,676	-19,638	-6.1	-22,602	-6.9
Capital DEL	73,884	86,624	12,740	17.2	102,316	28,432	38.5	15,692	18.1
TOTAL DEL	398,198	413,902	15,704	3.9	406,992	8,794	2.2	-6,910	-1.7
Annually Managed Expenditure	0	0	0	0.0	3,600	3,600	..	3,600	..
TOTAL NRF	398,198	413,902	15,704	3.9	410,592	12,394	3.1	-3,310	-0.8

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

Table 21: Transfers within NRF 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	-736		Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	736		Change of budgetary responsibility between actions, to fund the Cynefin project in nine locations across Wales.
Develop and Implement Climate Change Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation	-205		Unknown	205		Not detailed as less than £250,000.
Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation	-4,900		Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation		4,900	Revenue to capital switch to enable planned works to be undertaken on flood schemes.
Manage and Implement the Waste Strategy and Waste Procurement	-785		Unknown	785		To manage cost pressures elsewhere in the MEG.
Sponsor and Manage Delivery Bodies	-280		Manage and Implement the Waste Strategy and Waste Procurement	280		Relates to former Environment Agency employees transferring into Welsh Government to deliver programmes formerly run by the Environment Agency
Sponsor and Manage Delivery Bodies Unknown	-238		Unknown	238		To manage cost pressures elsewhere in the MEG.
Management and Delivery of TB Eradication and Other Endemic Diseases	-2,500		Support and Delivery of the Animal Health and Welfare Programme/Strategy	2,500		To support efforts to combat P. ramorum disease
Management and Delivery of TB Eradication and Other Endemic Diseases	-600		Unknown	600		Changes to the budget structure to improve transparency
Management and Delivery of TB Eradication and Other Endemic Diseases	-250		Unknown	250		To manage cost pressures elsewhere in the MEG - possibly not detailed as movements to more than one action of less than £250,000.
Develop and Deliver Overarching Policy and Programmes on Agriculture, Food and Marine	-890		Unknown	890		To manage cost pressures elsewhere in the MEG - possibly not detailed as movements to more than one action of less than £250,000.
CAP Administration and Making Payments According to EU and WG Rules	-500		Develop and Deliver Overarching Policy and Programmes on Agriculture, Food and Marine	500		fund agriculture publicity and communications, including at the Royal Welsh Show
Unknown	-291		CAP Administration and Making Payments According to EU and WG Rules	291		To fund CAP reform and PIMMS
Delivering the Programmes Within the Rural Development Plan	-1,066		Unknown	1,066		To manage cost pressures elsewhere in the MEG - possibly not detailed as movements to more than one action of less than £250,000.
Delivering the Programmes Within the Rural Development Plan	-3,000		CAP Administration and Making Payments According to EU and WG Rules		3,000	Resource to capital transfer to support ICT changes following review of Common Agricultural Policy
Meeting the Needs of Rural Communities and Rural Proofing WAG actions	-2,505		Develop and Deliver Overarching Policy and Programmes on Agriculture, Food and Marine	2,505		To move all budgets relating to overarching policy and programmes to one action.
Unknown	-400		Developing and Marketing Welsh Food and Drink	400		To fund Hybu Cig Cymru to grow Welsh meat exports
Develop and Implement Climate Change Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation	-541		Develop and Deliver Overarching Policy and Programmes on Sustainable Development and Environment		541	To support The Works project in Ebbw Vale
Develop and Implement Climate Change Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation	-385		Manage and Implement the Waste Strategy and Waste Procurement		385	To support collaborative change and to improve performance
Develop and Implement Climate Change Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation	-2,155		Develop and Deliver Overarching Policy and Programmes on Agriculture, Food and Marine		2,155	To meet cost pressures including additional funding of £2.505 million for the Young Farmers scheme
Develop and Implement Climate Change Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation	-800		Delivering the Programmes within the Rural Development Plan		800	To fund Rural payments Wales online.
Develop and Implement Climate Change Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation	-44		Unknown		44	Not detailed as less than £250,000.
Total transfers	-19,146	-3,925		11,246	11,825	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

12. Housing and Regeneration (HR)

[Table 22](#) summarises changes at the SPA levels in the HR MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the HR MEG³¹:

- Shows an increase in TME of £36.4 million, or 9.2%.
- This consists of a £38.4 million (8.2%) increase in total DEL, and a decrease of £2 million in AME.
- The change in total DEL comprises a decrease of £3.3 million (1.9%) in revenue DEL offset by an increase of £41.7 million (14.4%) in capital DEL.

The decrease of £3.3 million in revenue DEL comprises:

- Transfer to reserves of £4.8 million including £3.2 million from the *Increase the Supply and Choice of Affordable Housing* action, and £1 million from the *Regeneration* action;
- This is offset by a transfer of £1.5 million from HM Treasury into the *Regeneration* action (via reserves), in relation to the coastal Communities Fund, as shown in tables [6](#) and [7](#);

The increase of £41.7 million in capital DEL is entirely allocated from reserves, and comprises:

- £34.5 million for the Help to Buy Wales Scheme to the *Increase the Supply and Choice of Market Housing* action;
- £5 million for new and affordable homes to the *Increase the Supply and Choice of Affordable Housing* action; and
- £2 million to accelerate delivery of the Barry Island Link Road to the *Regeneration* action.

The £2 million decrease in AME relates to the return submitted to HM Treasury in December 2013 for the Housing Revenue Account Subsidy.

In addition to these changes, there have been a number of internal transfers within the HR MEG; these are shown at action level in [table 23](#). The net impact of these transfers is zero overall.

³¹ Figures may not add to totals exactly, due to rounding.

Table 22: Changes to HR allocations

	2013-14 Final	2013-14	Change from 2013-14		2013-14	Change from Final		Change from Supplementary	
	Budget (restated)	Supplementary	Final Budget (restated)	to Supplementary	Supplementary	Budget to	Supplementary Budget	Supplementary Budget 2013-	Supplementary Budget 2013-
	£000	£000	£000	Per cent	£000	£000s	per cent	£000s	per cent
REVENUE DEL									
Housing Policy	150,736	150,736	0	0.0	151,419	683	0.5	683	0.5
Homes and Places	17,278	17,295	17	0.1	14,040	-3,238	-18.7	-3,255	-18.8
Planning	7,874	7,874	0	0.0	7,134	-740	-9.4	-740	-9.4
TOTAL REVENUE	175,888	175,905	17	0.0	172,593	-3,295	-1.9	-3,312	-1.9
CAPITAL DEL									
Housing	1,641	11,641	10,000	609.4	11,641	10,000	609.4	0	0.0
Homes and Places	263,529	278,384	14,855	5.6	320,084	56,555	21.5	41,700	15.0
TOTAL CAPITAL	265,170	290,025	24,855	9.4	331,725	66,555	25.1	41,700	14.4
AME									
Housing	-71,000	-71,000	0	0.0	-73,000	-2,000	2.8	-2,000	2.8
TOTAL AME	-71,000	-71,000	0	0.0	-73,000	-2,000	2.8	-2,000	2.8
Revenue DEL	175,888	175,905	17	0.0	172,593	-3,295	-1.9	-3,312	-1.9
Capital DEL	265,170	290,025	24,855	9.4	331,725	66,555	25.1	41,700	14.4
TOTAL DEL	441,058	465,930	24,872	5.6	504,318	63,260	14.3	38,388	8.2
Annually Managed Expenditure	-71,000	-71,000	0	0.0	-73,000	-2,000	2.8	-2,000	2.8
TOTAL HR	370,058	394,930	24,872	6.7	431,318	61,260	16.6	36,388	9.2

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

Table 23: Transfers within HR MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Supporting People	-400		Homelessness	400		To create a Discretionary Housing Payment Scheme to mitigate welfare reform
Regeneration	-600		Homelessness	600		To create a Discretionary Housing Payment Scheme to mitigate welfare reform
Planning Policy Development, Planning Inspectorate and Regulation	-300		Achieve Quality Housing	300		To create a Discretionary Housing Payment Scheme to mitigate welfare reform
Policy Development and Implementation	-67		Policy Research and Evaluation	67		Transfers less than £250,000 are not detailed
Achieve Quality Housing		-1,300	Increase the Supply and Choice of Affordable Housing		1,300	To provide additional support for affordable housing
Regeneration		-2,646	Increase the Supply and Choice of Affordable Housing		2,646	To provide additional support for affordable housing
Total transfers	-1,367	-3,946		1,367	3,946	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

13. Culture and Sport (CS)

Table 24 summarises changes at the SPA levels in the CS MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the CS MEG³²:

- Shows an increase in TME of £0.4 million, or 0.3%.
- This consists entirely of a £0.4 million (0.3%) decrease in total DEL, as there is no change to AME.
- The change in total DEL comprises a decrease of £0.5 million (0.4%) in revenue DEL and an increase of £0.9 million (6.0%) in capital DEL.

The decrease of £0.5 million in revenue DEL comprises:

- Transfers out to reserves of £0.6 million, comprising two transfers, each of £0.3 million, from the *Support and Sustain a Strong Arts Sector via the Arts Council and Others* and *Delivery of Effective Sports and Physical Activity Programmes* actions, as shown in [table 7](#):
- Transfer in of £0.1 million from other MEGs, as shown in [table 9](#).

The increase of £0.9 million in capital DEL comprises:

- An allocation of £1.1 million from reserves contributing to remedial at the National Library of Wales following the fire, as shown in [table 7](#).
- A net decrease of £0.2 million as a result of transfers with other MEGs, as shown in [table 9](#);

In addition to these changes, there have been a number of internal transfers within the CS MEG; these are shown at action level in [table 25](#).

³² Figures may not add to totals exactly, due to rounding.

Table 24: Changes to CS allocations

	2013-14	2013-14	Change from 2013-14		2013-14	Change from Final Budget		Change from Supplementary	
	Final Budget (restated) £000	Supplementary Budget (June 2013) £000	Final Budget (restated) to Supplementary Budget (June 2013) £000	Per cent	Supplementary Budget (Feb 2014) £000	to Supplementary Budget 2013-14 (Feb 2014) £000s	per cent	Budget (Jun 2013) to Supplementary Budget 2013- 14 (Feb 2014) £000s	per cent
REVENUE DEL									
Support and sustain a strong arts sector via the Arts Council and others	35,643	34,758	-885	-2.5	34,188	-1,455	-4.1	-570	-1.6
Museums, Archives and Libraries	37,445	37,578	133	0.4	38,068	623	1.7	490	1.3
Delivery of effective sports & physical activity programmes	24,853	24,853	0	0.0	24,573	-280	-1.1	-280	-1.1
Media & publishing	3,926	3,926	0	0.0	3,926	0	0.0	0	0.0
Conserve, protect, sustain and promote access to the historic environment	11,541	11,641	100	0.9	11,641	100	0.9	0	0.0
Landscape and Outdoor Recreation	12,057	12,742	685	5.7	12,622	565	4.7	-120	-0.9
TOTAL REVENUE	125,465	125,498	33	0.0	125,018	-447	-0.4	-480	-0.4
CAPITAL DEL									
Support and sustain a strong arts sector via the Arts Council and others	450	355	-95	-21.1	355	-95	-21.1	0	0.0
Museums, Archives and Libraries	4,043	5,223	1,180	29.2	6,783	2,740	67.8	1,560	29.9
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	5,031	5,331	300	6.0	4,631	-400	-8.0	-700	-13.1
Landscape and Outdoor Recreation	2,850	2,945	95	3.3	2,945	95	3.3	0	0.0
TOTAL CAPITAL	12,744	14,224	1,480	11.6	15,084	2,340	18.4	860	6.0
AME									
Museums, Archives and Libraries	2,740	2,740	0	0.0	2,740	0	0.0	0	0.0
TOTAL AME	2,740	2,740	0	0.0	2,740	0	0.0	0	0.0
Revenue DEL	125,465	125,498	33	0.0	125,018	-447	-0.4	-480	-0.4
Capital DEL	12,744	14,224	1,480	11.6	15,084	2,340	18.4	860	6.0
TOTAL DEL	138,209	139,722	1,513	1.1	140,102	1,893	1.4	380	0.3
Annually Managed Expenditure	2,740	2,740	0	0.0	2,740	0	0.0	0	0.0
TOTAL CS	140,949	142,462	1,513	1.1	142,842	1,893	1.3	380	0.3

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

Table 25: Transfers within CS MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Support and Sustain a strong arts sector via the Arts Council and others	-390		Foster Usage and Lifelong Learning through Museum Services	390		Restructuring costs at National Museum of Wales
Unknown	-150		Foster Usage and Lifelong Learning through Library Services	150		Transfers less than £250,000 are not detailed
Unknown	-20		Delivery of effective sports and physical activity programmes	20		Transfers less than £250,000 are not detailed
Promote and support protected landscapes, wider access to green space and the National Botanic Garden	-120		Unknown	120		Transfers less than £250,000 are not detailed
Strategic leadership for museum, archive and library services	-50		Unknown	50		Transfers less than £250,000 are not detailed
Foster Usage and Lifelong Learning through Museum Services		-625	Foster Usage and Lifelong Learning through Library Services		625	Contribution towards remedial costs following fire at National Library of Wales
Conserve, Protect, Sustain and Promote Access to the Historic Environment		-500	Foster Usage and Lifelong Learning through Library Services		500	Contribution towards remedial costs following fire at National Library of Wales
Total transfers	-730	-1,125		730	1,125	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)

14. Central Services and Administration (CSA)

Table 26 summarises changes at the SPA levels in the CSA MEG, as compared with the previous supplementary budget 2013-14, and the final budget 2013-14.

As compared with the first supplementary budget 2013-14 the CSA MEG³³:

- Shows a decrease in TME of £15.5 million, or 4.5%.
- This consists of a £15.4 million (4.5%) decrease in total DEL, and a £0.1 million (5.0%) decrease in AME.
- The change in total DEL comprises a decrease of £15.2 million (4.8%) in revenue DEL and a decrease of £0.2 million (0.7%) in capital DEL.

The decrease of £15.2 million in revenue DEL comprises:

- Transfers out to reserves of £4.8 million, as shown in **table 7**. This is made up of a transfer of £7.3 million as a contribution to managing in-year pressures, offset by an allocation of £2.5 million from reserves to the *Capital Charges* action, for increased notional depreciation and impairments; as shown in **table 7** ;
- A net decrease of £9.5 million as a result of transfers with other MEGs, as shown in **table 9**; and
- A reduction of £1 million as a result of revenue to capital transfers within the MEG, as shown in **table 27**

The decrease of £0.2 million in capital DEL comprises:

- A net decrease of £1.2 million as a result of transfers with other MEGs, as shown in **table 9**; and
- An increase of £1 million as a result of revenue to capital transfers within the MEG, as shown in **table 27**.

The £0.1 million decrease in AME reflects the latest forecasts for early retirement provisions and in-year pension deficit charges.

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 27**. The net impact of these transfers is a £1 million reduction in revenue, with a corresponding increase in capital, as detailed above.

³³ Figures may not add to totals exactly, due to rounding.

Table 26: Changes to CSA allocations

	2013-14	2013-14	Change from 2013-14		2013-14	Change from Final Budget		Change from Supplementary	
	Final Budget (restated) £000	Supplementary Budget (June 2013) £000	Final Budget (restated) to Supplementary Budget (June 2013) £000	Per cent	Supplementary Budget (Feb 2014) £000	to Supplementary Budget 2013-14 (Feb 2014) £000s	per cent	Supplementary Budget 2013- 14 (Feb 2014) £000s	per cent
REVENUE DEL									
Delegated Running Costs	195,372	195,433	61	0.0	203,612	8,240	4.2	8,179	4.2
Central Running Costs	88,616	88,316	-300	-0.3	77,030	-11,586	-13.1	-11,286	-12.8
Information & Support Services	12,508	13,785	1,277	10.2	14,438	1,930	15.4	653	4.7
Central Programmes	23,955	19,803	-4,152	-17.3	7,018	-16,937	-70.7	-12,785	-64.6
WEFO	1,522	1,522	0	0.0	1,522	0	0.0	0	0.0
TOTAL REVENUE	321,973	318,859	-3,114	-1.0	303,620	-18,353	-5.7	-15,239	-4.8
CAPITAL DEL									
Central Running Costs	9,935	9,935	0	0.0	11,335	1,400	14.1	1,400	14.1
Central Programmes	13,878	13,878	0	0.0	12,307	-1,571	-11.3	-1,571	-11.3
TOTAL CAPITAL	23,813	23,813	0	0.0	23,642	-171	-0.7	-171	-0.7
AME									
Central Running Costs	1,634	1,551	-83	-5.1	1,473	-161	-9.9	-78	-5.0
TOTAL AME	1,634	1,551	-83	-5.1	1,473	-161	-9.9	-78	-5.0
Revenue DEL	321,973	318,859	-3,114	-1.0	303,620	-18,353	-5.7	-15,239	-4.8
Capital DEL	23,813	23,813	0	0.0	23,642	-171	-0.7	-171	-0.7
TOTAL DEL	345,786	342,672	-3,114	-0.9	327,262	-18,524	-6.4	-15,410	-4.5
Annually Managed Expenditure	1,634	1,551	-83	-5.1	1,473	-161	-9.9	-78	-5.0
TOTAL CSA	347,420	344,223	-3,197	-0.9	328,735	-18,685	-5.4	-15,488	-4.5

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

Table 27: Transfers within CSA MEG, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
General Administration	-6,182		Staff Costs	6,182		To support new staffing functions including increase in legal services due to enhanced legislative powers
Enabling Government	-1,000		Staff Costs	1,000		Funding for staff working on corporate change projects
General Administration	-450		Public Policy Institute	450		To fund the Public Policy Institute
General Administration	-1,000		International Relations	1,000		To fund running costs in overseas offices
Public Appointments	-94		General Administration	94		Transfers less than £250,000 are not detailed
Enabling Government	-1,000		General Administration	1,000		To support pension costs
Enabling Government	-1,000		Capital action (for estate building)		1,000	Revenue to capital switch
Match funding	-1,502		Invest to Save	1,502		Increase the funding available to support Invest to Save projects
Public Appointments	-27		Central Research	27		Transfers less than £250,000 are not detailed
Enabling Government		-1,500	Capital action (for estate building)		1,500	Estate building management
Invest to Save Fund		-1,400	Capital action (for estate building)		1,400	Estate building management
Invest to Save Fund Repayment of Investments		-338	Invest to Save Fund		338	Increase to the anticipated level of repayments to the fund
Total transfers	-12,255	-3,238		11,255	4,238	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2013-14](#) (February 2014)