

National Assembly for Wales

Supplementary Budget 2012-13 (June 2012) July 2012

The Welsh Government's Supplementary Budget 2012-13 was laid before the National Assembly for Wales on 26 June 2012. The main changes proposed are in relation to transfers with the UK Government and allocations from reserves. It also details some movements between and within portfolios.

This paper is intended to inform scrutiny of the supplementary budget. It provides details of the overall changes to the Welsh block and allocations to Welsh Government portfolios in comparison to the Final Budget 2012-13.

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National Assembly for Wales

Supplementary Budget 2012-13 (June 2012)
July 2012

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Paper number: 12 / 033



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Summary

The Supplementary Budget 2012-13 published on 26 June 2012 amends the Final Budget 2012-13, which was approved by the National Assembly in December 2011.

This supplementary budget appears to fulfil three main purposes:

- makes allocations from reserves, approved since the Final Budget motion was passed;
- reflects reprioritisations within Ministerial portfolios and makes transfers between MEGs; and
- adjusts the baselines to account for transfers from the UK Government as a result of UK Budget 2012 and Autumn Statement 2011.

The supplementary budget motion requests the Assembly to authorise an additional £125 million cash to be drawn from the Welsh Consolidated Fund by the Welsh Ministers in the 2012-13 financial year.

In comparison to the Final Budget 2012-13:

- Overall TME is increased by 0.5 per cent, or £82.9 million.
- TME allocated to Welsh Government departments is increased by 0.9 per cent, or £142.4 million.
- Overall DEL is increased by 0.4 per cent, or £55.1 million.
- DEL allocated to Welsh Government departments is increased by 0.8 per cent, or £114.6 million.
- Revenue DEL allocated to Welsh Government departments is increased by 0.2 per cent, or £26.4m million.
- Capital DEL allocated to Welsh Government departments is increased by 7.7 per cent or £88.2 million.
- AME is increased by 7.4 per cent, or £27.8 million.

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1. Supplementary Budget 2012-13

The Minister for Finance (Jane Hutt AM) laid the Supplementary Budget Motion 2012-13¹ on 26 June 2012. This was accompanied by an explanatory note² and tables showing the main expenditure group (MEG)³ allocations.⁴ This supplementary budget amends the Final Budget 2012-13,⁵ approved by the National Assembly in December 2011.

This supplementary budget appears to fulfil three main purposes:

- makes allocations from reserves, approved since the Final Budget motion was passed;
- reflects reprioritisations within Ministerial portfolios and makes transfers between MEGs; and
- adjusts the baselines to account for transfers from the UK Government as a result of UK Budget 2012 and Autumn Statement 2011.

The supplementary budget motion requests the Assembly to authorise an additional £125 million cash to be drawn from the Welsh Consolidated Fund by the Welsh Ministers in the 2012-13 financial year.⁶

The figures shown within 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.

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.

¹ Welsh Government, [Supplementary Budget Motion 2012-13](#), June 2012 [accessed 29 June 2012]

² Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 [accessed 29 June 2012]

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

⁴ Welsh Government, [Supplementary Budget 2012-13 Main Expenditure Group Allocations](#), June 2012 [accessed 29 June 2012]

⁵ Welsh Government, [Final Budget 2012-13](#), November 2011 [accessed 29 June 2012]

⁶ Welsh Government, [Supplementary Budget Motion 2012-13](#), June 2012 (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, explanatory note and this briefing are on an **administrative** basis. Therefore, this £125 million figures does not match the figures presented below. The administrative budget includes items which score outside government accounts, and so are not included in the resources required by the Welsh Government. [accessed 29 June 2012]

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)⁷ level can be found in sections 5 to 11 of this paper.

2.1. Total managed expenditure (TME)

Table 1 provides an overview of changes to total managed expenditure (TME)⁸ allocations. From this it can be seen that, in comparison with Final Budget 2012-13:

- Overall TME in the Welsh block is increased by 0.5 per cent, or £82.9 million.
- TME allocated to Welsh Government departments is increased by 0.9 per cent, or £142.4 million.
- The largest cash increase in TME is seen in the Health, Social Services and Children MEG, £75.9 million, or 1.2 per cent.
- The largest percentage increase in TME is seen in the Environment and Sustainable Development MEG, 4.2 per cent, or £13.7 million.
- The only reduction in TME, in both cash and percentage terms, is in the Local Government and Communities MEG, £21.8 million, or 0.4 per cent.

⁷ **Spending programme area (SPA)** - The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Spending programme areas (SPAs) are the second level of detail below main expenditure groups (MEG) and define discrete groups of allocations according to the type of services to be delivered.

⁸ **Total managed expenditure (TME)** - the combined total of the two budget elements annually managed expenditure (AME) and departmental expenditure limits (DEL).

Table 1: Changes to total managed expenditure (TME)

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
Health, Social Services & Children	6,469,006	6,544,950	75,944	1.2
Local Government & Communities	5,168,827	5,147,024	-21,803	-0.4
Business, Enterprise, Technology & Science	313,728	316,628	2,900	0.9
Education & Skills	1,987,278	2,033,131	45,853	2.3
Environment & Sustainable Development	326,812	340,522	13,710	4.2
Housing, Regeneration & Heritage	514,330	527,138	12,808	2.5
Central Services & Administration	348,082	361,041	12,959	3.7
Total Welsh Government TME Allocations	15,128,063	15,270,434	142,371	0.9
Revenue Reserves	165,403	150,042	-15,361	-9.3
Capital Reserves	49,521	5,422	-44,099	-89.1
Assembly Commission	47,477	47,477	0	0.0
Auditor General for Wales	4,740	4,740	0	0.0
Public Services Ombudsman for Wales	3,853	3,853	0	0.0
Direct Charges	642	642	0	0.0
Total Wales TME	15,399,699	15,482,610	82,911	0.5

Source: Research Service calculations from Welsh Government Budgets.

2.2. Departmental expenditure limits (DEL)

[Table 2](#) provides an overview of changes to total departmental expenditure limit (DEL)⁹ allocations (revenue plus capital).

[Figure 1](#) shows the change in total DEL allocated to each MEG in comparison with the Final Budget 2012-13, whilst [figure 2](#) shows the percentage of additional DEL allocated to each MEG in this supplementary budget.

In comparison to the Final Budget 2012-13:

- Overall DEL in the Welsh block is increased by 0.4 per cent, or £55.1 million. This increase is due to transfers from the UK Government.
- DEL allocated to Welsh Government departments is increased by 0.8 per cent, or £114.6 million. This is mainly due to allocations from reserves.
- The largest cash increase in total DEL is seen in the Health, Social Services and Children MEG, £56 million, or 0.9 per cent.

⁹ **Departmental expenditure limit (DEL)** - normally set over three or four years as part of the UK Government's Spending Review process, this is the multi-year budget limit for the Welsh Government. Most of the DEL is unhypothecated (the assigned budget, or block grant) and allows the Welsh Government full discretion over its spending priorities. Changes in provision for such spend are determined by the Barnett formula.

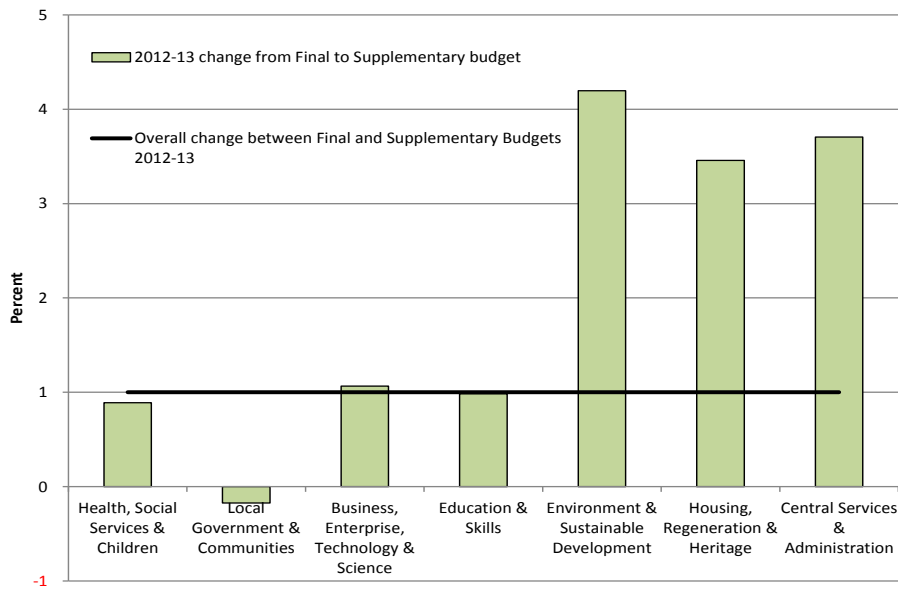
- The largest percentage increase in total DEL is seen in the Environment and Sustainable Development MEG, 4.2 per cent, or £13.7 million.
- The only reduction in total DEL, in both cash and percentage terms, is in the Local Government and Communities MEG, £8.9 million, or 0.2 per cent.

Table 2: Changes to total DEL

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
Health, Social Services & Children	6,287,226	6,343,240	56,014	0.9
Local Government & Communities	5,104,513	5,095,639	-8,874	-0.2
Business, Enterprise, Technology & Science	272,326	275,226	2,900	1.1
Education & Skills	1,836,753	1,854,822	18,069	1.0
Environment & Sustainable Development	326,812	340,522	13,710	4.2
Housing, Regeneration & Heritage	572,840	592,648	19,808	3.5
Central Services & Administration	349,919	362,883	12,964	3.7
Total Welsh Government DEL Allocations	14,750,389	14,864,980	114,591	0.8
Revenue Reserves	165,403	150,042	-15,361	-9.3
Capital reserves	49,521	5,422	-44,099	-89.1
Assembly Commission	47,227	47,227	0	0.0
Auditor General for Wales	4,740	4,740	0	0.0
Public Services Ombudsman for Wales	4,034	4,034	0	0.0
Direct Charges	642	642	0	0.0
Total Wales DEL	15,021,956	15,077,087	55,131	0.4

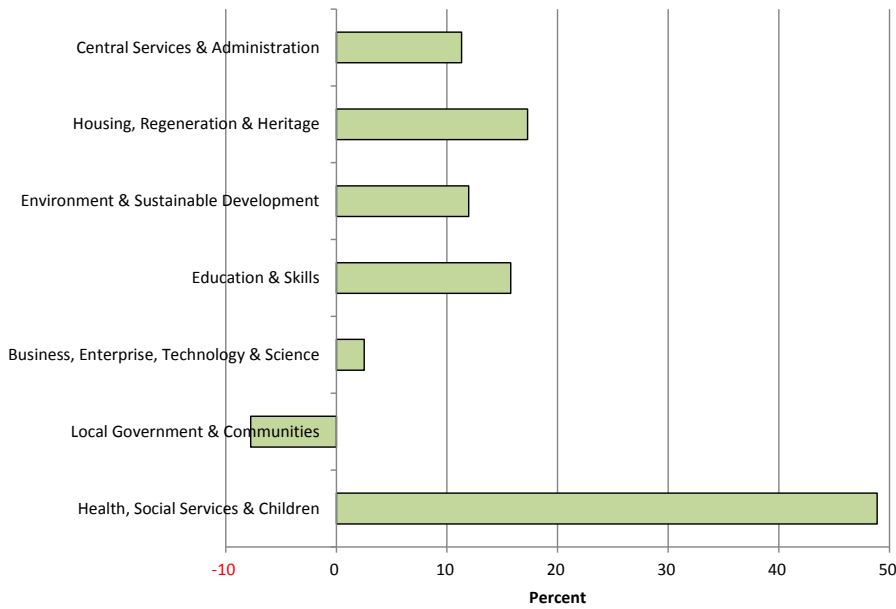
Source: Research Service calculations from Welsh Government Budgets.

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



Source: Research Service calculations from Welsh Government Budgets.

Figure 2: Percentage of additional DEL allocated to each MEG, in comparison to Final Budget 2012-13



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

2.2.1. Revenue DEL

Table 3 shows changes in revenue DEL, and **figure 3** shows the change in revenue DEL allocated to each MEG. From these it can be seen that, in comparison to the Final Budget 2012-13:

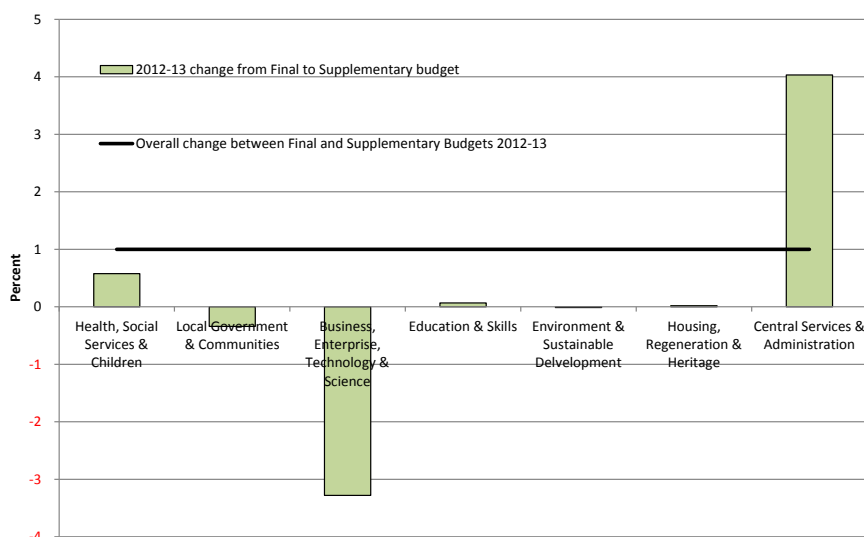
- Revenue DEL in the Welsh block is increased by 0.1 per cent, or £11.1 million. This increase is due to transfers from the UK Government.
- Revenue DEL allocated to Welsh Government departments is increased by 0.2 per cent, or £26.4 million. The UK Government transfers are supplemented by allocations of £15.3 million from revenue reserves.
- The largest cash increase in revenue DEL is seen in the Health, Social Services and Children MEG, £34.9 million, or 0.6 per cent.
- The largest percentage increase in revenue DEL is seen in the Central Services and Administration MEG, 4.0 per cent, or £13 million.
- The greatest reduction in revenue DEL, in cash, is in the Local Government and Communities MEG, £16.6 million, or 0.3 per cent
- The greatest reduction in revenue DEL, in percentage terms, is in the Business, Enterprise, Technology and Science MEG, 3.3 per cent, or £6.0 million.

Table 3: Changes to revenue DEL

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
Health, Social Services & Children	6,046,623	6,081,527	34,904	0.6
Local Government & Communities	4,842,872	4,826,288	-16,584	-0.3
Business, Enterprise, Technology & Science	182,870	176,870	-6,000	-3.3
Education & Skills	1,675,410	1,676,529	1,119	0.1
Environment & Sustainable Development	265,183	265,153	-30	-0.0
Housing, Regeneration & Heritage	278,282	278,330	48	0.0
Central Services & Administration	321,455	334,419	12,964	4.0
Total Welsh Government Revenue DEL	13,612,695	13,639,116	26,421	0.2
Revenue Reserves	165,403	150,042	-15,361	-9.3
Capital reserves	0	0	0	0.0
Assembly Commission	46,565	46,565	0	0.0
Auditor General for Wales	4,724	4,724	0	0.0
Public Services Ombudsman for Wales	4,020	4,020	0	0.0
Direct Charges	642	642	0	0.0
Total Wales Revenue DEL	13,834,049	13,845,109	11,060	0.1

Source: Research Service calculations from Welsh Government Budgets.

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



Source: Research Service calculations from Welsh Government Budgets.

2.2.2. Capital DEL

Table 4 shows changes in capital DEL, and **figure 4** shows the change in capital DEL allocated to each MEG. From these it can be seen that, in comparison to the Final Budget 2012-13:

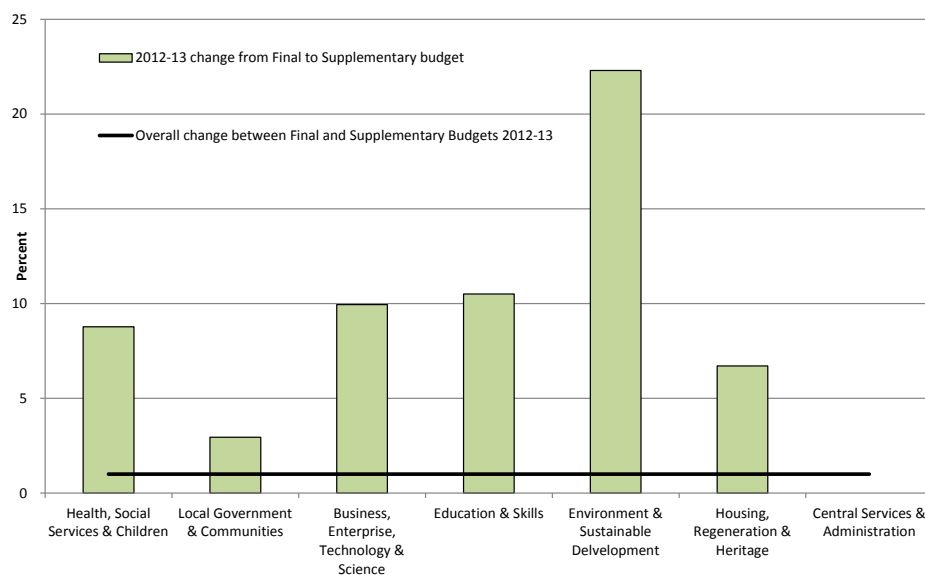
- Capital DEL in the Welsh block is increased by 3.7 per cent, or £44.1 million. This increase is due to transfers from the UK Government.
- Capital DEL allocated to Welsh Government departments is increased by 7.7 per cent or £88.2 million. The UK Government transfers are supplemented by allocations of £44.1 million allocations from capital reserves.
- The largest cash increase in capital DEL is seen in the Health, Social Services and Children MEG, £21.1 million, or 8.8 per cent.
- The largest percentage increase in capital DEL is seen in the Environment and Sustainable Development MEG, 22.3 per cent, or £13.7 million.
- There are no reductions in capital DEL.

Table 4: Changes to capital DEL

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
Health, Social Services & Children	240,603	261,713	21,110	8.8
Local Government & Communities	261,641	269,351	7,710	2.9
Business, Enterprise, Technology & Science	89,456	98,356	8,900	9.9
Education & Skills	161,343	178,293	16,950	10.5
Environment & Sustainable Development	61,629	75,369	13,740	22.3
Housing, Regeneration & Heritage	294,558	314,318	19,760	6.7
Central Services & Administration	28,464	28,464	0	0.0
Total Welsh Government Capital DEL Allocations	1,137,694	1,225,864	88,170	7.7
Revenue Reserves	0	0	0	0.0
Capital reserves	49,521	5,422	-44,099	-89.1
Assembly Commission	662	662	0	0.0
Auditor General for Wales	16	16	0	0.0
Public Services Ombudsman for Wales	14	14	0	0.0
Direct Charges	0	0	0	0.0
Total Wales Capital DEL	1,187,907	1,231,978	44,071	3.7

Source: Research Service calculations from Welsh Government Budgets.

Figure 4: Per cent change in capital DEL to each MEG



Source: Research Service calculations from Welsh Government Budgets.

2.3. Annually managed expenditure (AME)

Table 5 provides an overview of changes to annually managed expenditure (AME)¹⁰ allocations. From this it can be seen that, in comparison with Final Budget 2012-13:

- AME is increased by 7.4 per cent, or £27.8 million. This is mainly due to revised forecasts.
- The largest increase in AME, in both cash and percentage terms, is seen in the Education and Skills MEG, £27.8 million, or 18.5 per cent. This is due to revised forecasts in respect of Student Loans.
- The largest reduction in AME, in both cash and percentage terms, is seen in the Local Government and Communities MEG, £12.9 million, or 20.1 per cent. This reflects the latest forecasts on the improvement and maintenance of the trunk road network.

Table 5: Changes to annually managed expenditure (AME)

Main Expenditure Group	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
Health, Social Services & Children	181,780	201,710	19,930	11.0
Local Government & Communities	64,314	51,385	-12,929	-20.1
Business, Enterprise, Technology & Science	41,402	41,402	0	0.0
Education & Skills	150,525	178,309	27,784	18.5
Environment & Sustainable Development	0	0	0	0.0
Housing, Regeneration & Heritage	-58,510	-65,510	-7,000	12.0
Central Services & Administration	-1,837	-1,842	-5	-0.3
Total Welsh Government AME Allocations	377,674	405,454	27,780	7.4
Assembly Commission	250	250	0	0.0
Public Services Ombudsman for Wales	-181	-181	0	0.0
Total Wales AME	377,743	405,523	27,780	7.4

Source: Research Service calculations from Welsh Government Budgets.

¹⁰ **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). This is reviewed and set twice a year by HM Treasury. AME can only be allocated to the purpose for which it is assigned; therefore the Welsh Government has no discretion over its allocation. Further AME can be drawn from HM Treasury if required, while any unspent AME must be returned.

3. Baseline changes and movements on reserves

There have been a number of transfers with the UK Government:

- £1 million revenue from DEFRA in relation to the Animal Movements Licensing System; this has gone into reserves and been allocated out to the Business, Technology, Enterprise and Science MEG.
- £1.9 million revenue has been transferred to the UK Department for Business Innovation and Skills in relation to Pan Government Digital Mapping. This has been transferred into the reserve from the Central Services and Administration MEG.
- £5.4 million capital consequentials as a result of the UK Budget 2012.
- £12 million revenue and £38.7 million capital consequentials as a result of the Autumn Statement 2011.

Therefore, there has been an overall increase of £55.2 million¹¹ in total DEL as a result of transfers with the UK Government: £11.1 million revenue DEL, and £44.1 million capital DEL. These transfers are detailed in [table 6](#). Together with the increase of £27.8 million in AME due to revised forecasts, this gives the £82.9 million increase in TME to the Welsh block.

Table 6: Transfers with UK Government

UK Government measures	Revenue DEL £000	Capital DEL £000	Total DEL £000
Transfer from DEFRA for Animal Movements Licensing System	1,000		1,000
Transfer to Department of Business, Innovation and Skills for pan Government Digital Mapping	-1,900		-1,900
Autumn Statement Nov 2011	11,986	38,714	50,700
Transport		3,578	3,578
Growth & Green		3,456	3,456
Education		16,704	16,704
Housing		14,976	14,976
Youth Contract	4,691		4,691
Early Years Childcare	4,110		4,110
Rail Fares	5,011		5,011
Pay Restraint	-1,826		-1,826
UK Budget 2012		5,357	5,357
Housing		5,357	5,357
Total	11,086	44,071	55,157

Source: Research Service calculations from Welsh Government Budgets and communications with Welsh Government officials.

¹¹ The difference between the £55.2 million total DEL detailed here, and the £55.1 million increase in total DEL shown in table 2 are likely to be due to rounding.

In correspondence to the Finance Committee following the Supplementary Budget 2011-12 in February 2012,¹² the Minister for Finance stated that the consequentials expected in 2012-13, as a result of the Autumn Statement 2011, were £38.7 million in capital DEL and £26.25 million in revenue DEL. The Minister has since explained that the £26.5 million previously stated included around £14 million in consequentials relating to the UK's extension of the small business rates relief scheme. This is an area in which the Welsh Government can choose to take the consequential or retain the business rates relief scheme in Wales. In this case the choice was made to continue with the Welsh rates relief scheme and the Minister assured the Committee that this represented a better deal for Wales than the £14 million consequential.¹³

All of these transfers are made via reserves. Movement on reserves is shown in [table 7](#). From this it can be seen that:

- Revenue reserves have reduced by £15.4 million; this comprises a net increase of £11.1 million due to transfers with the UK Government and allocations of £26.4 million to Welsh Government MEGs. All of this is fiscal revenue,¹⁴ there have been no changes to the non-fiscal revenue¹⁵ reserves.
- Capital reserves have reduced by £44.1 million; this comprises an increase of £44.1 million due to transfers with the UK Government and allocations of £88.2 million to Welsh Government MEGs.

The allocations from reserves account for the £114.6 million additional total DEL allocated to Welsh Government MEGs.

¹² National Assembly for Wales. [Letter from Minister for Finance to Finance Committee](#), 28 February 2012 [accessed 29 June 2012]

¹³ National Assembly for Wales, Finance Committee, RoP, 4 July 2012 [no link available at time of writing]

¹⁴ **Fiscal revenue DEL** – also referred to as near cash, is a control total used by HM Treasury, this is an accruals measure of transactions which would be expected to turn into cash flow soon. It takes account of differences between resources used and cash flows at the start and end of the financial year. For example, expenditure on gas/electricity is incurred as the fuel is used, although the actual cash payment might be made in arrears on a quarterly basis. Other examples include pay, procurement, revenue grants and subsidies. Excludes non-fiscal (non-cash) costs.

¹⁵ **Non-fiscal revenue DEL** - also referred to as non-cash, this is a control total used by HM Treasury, it is an accruals measure used in budgets to ensure they reflect the full economic cost of activities even though there is no direct link to cash flows during the relevant period. Examples of non-cash costs include depreciation, provisions and cost of capital. Such payments will either never give rise to an actual cash cost (e.g. cost of capital), or will only give rise to cash payments years into the future (e.g. provisions). Non cash cannot be used to fund fiscal (or near cash) spending.

Table 7: Movement on Reserves

Revenue Reserve	Fiscal £ millions	Non fiscal £ millions	Capital Reserve	2012-13 £ millions
Reserve at Final Budget 2012-13	97.27	68.14	Reserve at Final Budget 2012-13	49.52
To HSSC: Orthopaedic Waiting Times	-12.20		Transfer with UK: consequential of Autumn Statement 2011	38.70
To LCG: Free Advice Services	-0.75		Transfer with UK: consequential of UK Budget 2012	5.40
To LCG: Local Government Borrowing Initiative	-4.00		Centrally retained capital allocations	-44.20
From UK Government: transfer from DEFRA	1.00		WIP allocations	-44.00
To BETS: transfer from DEFRA	-1.00			
To E&S: Pupil Deprivation Grant	-0.39			
To CSA: Invest-to-Save	-10.00			
From CSA: to Department BIS, UK	1.93			
To UK Govt: transfer to dept BIS	-1.93			
Transfer with UK: consequential of Autumn Statement 2011	12.00			
Reserve remaining	81.91	68.14	Reserve remaining	5.42

Source: Research Service calculations from Welsh Government Budgets. Figures may not sum to totals due to rounding.

Allocations relating to centrally retained capital and the Wales Infrastructure Investment Plan are discussed in sections 3.1 and 3.2 of this paper, respectively.

The explanatory note accompanying the supplementary budget provides details of recurrent allocations from reserves which will impact in future years. This indicates that recurrent allocations commit a further £36.6 million from reserves in 2013-14, and £18.9 million in 2014-15.¹⁶

Following this supplementary budget, the reserves remaining are:

- £81.9 million fiscal revenue;
- £68.1 million non-fiscal revenue; and
- £5.4 million capital.

At the time of the last supplementary budget 2011-12, the Minister for Finance stated her intention to carry forward some £33 million into 2012-13 under the budget exchange mechanism.¹⁷ Of this £33 million: around £28.2 million was allocated via the Final Budget 2012-13¹⁸ and the current supplementary budget allocates a further £4.8 million.¹⁹ This supplementary budget does not include baseline adjustments to account for this carry forward, and states that:

Details of the exact amount to be carried forward from 2011-12 will be confirmed once the Welsh government's Annual Accounts for 2011-12 have been finalised. Adjustments to our baseline to reflect the final amount carried forward will be made later in the year though the

¹⁶ Welsh Government, *Supplementary Budget 2012-13 Explanatory Note*, June 2012 (Annex 3, page 51) [accessed 29 June 2012]

¹⁷ National Assembly for Wales, Finance Committee, *RoP 20 February 2012* [accessed 29 June 2012]

¹⁸ Welsh Government, *Final Budget 2012-13*, November 2012 [accessed 29 June 2012]

¹⁹ £4 million to the Local Government Borrowing Initiative (LGBI) and £0.8 million in respect of Free Advice Services, as shown in [table 7](#).

UK Supplementary Estimate process. As such, this Supplementary Budget does not reflect any adjustment to the Welsh Block in respect of the Budget Exchange System.²⁰

Aside from this intended carry forward of £33 million, following the last supplementary budget, there were revenue reserves remaining of £23.6 million in 2011-12. The Minister stated that this was to provide for any emergency call on reserves prior to the end of the financial year, but that she did not anticipate requiring such.²¹ The Minister has since confirmed that none of this remaining reserve was allocated during the 2011-12 financial year and that she is seeking to carry this forward to 2012-13 under budget exchange, in addition to the already intended carry forward of £33.2 million. This is subject to HM Treasury agreement and will have to be voted through the UK Supplementary Estimates process; however the Minister expects that this will appear in reserves in the second supplementary budget 2012-13.²²

3.1. Centrally retained capital allocations

Of the allocations made from capital reserves, £44.2 million relate to projects awarded funding from centrally retained capital (CRC). These allocations are detailed in [table 8](#), together with indicative allocations for 2013-14. Of the allocations relating to 2012-13, £8.3 million of these allocations relate to phase 1 CRC projects,²³ and £35.9 million to phase 2 CRC projects.²⁴

²⁰ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 11) [accessed 29 June 2012]

²¹ National Assembly for Wales, Finance Committee, [RoP 20 February 2012](#) [accessed 29 June 2012]

²² National Assembly for Wales, Finance Committee, RoP 4 July 2012 [no link available at time of writing]

²³ As detailed in the Welsh Government's [Supplementary Budget 2011-12](#), (February 2012) [accessed 4 July 2012]

²⁴ As detailed in Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Centrally Retained Capital](#), Cabinet Written Statement, 23 November 2011 [accessed 4 July 2012]

Table 8: Centrally Retained Capital allocations

Project	2012-13 allocation in supplementary budget £ millions	Indicative allocation 2013-14 £ millions	Action to which allocation made
PHASE 1 CRC PROJECTS			
Local Government and Communities	3.9	3.9	
A470 Maes yr Helmau to Cross Foxes improvement	1.9	1.9	Road and rail Schemes
A470 Gelligemlyn	2.0	2.0	Road and rail Schemes
Business, Enterprise, Technology and Science	2.9	2.7	
Online Services for Rural Payments	2.9	2.7	Delivering the programmes within the Rural Development Plan
Housing, Regeneration and Heritage	1.5	1.5	
Merthyr Tydfil Old Town Hall	1.5	1.5	Implementation of strategic regeneration areas
Total phase 1	8.3	8.1	
PHASE 2 CRC PROJECTS			
Health, Social Services and Children	8.6	2.0	
Wrexham Ambulance Resource Centre	2.7		NHS Delivery
Cardiff Royal Infirmary	5.9	2.0	NHS Delivery
Local Government and Communities	6.3	5.4	
Welsh National Traffic Data System	4.0	3.0	Motorway and Trunk Roads Network Operations
M4 Junction 32 Coryton Improvement Scheme	0.4	1.7	Motorway and Trunk Roads Network Operations
Welsh National Winter Maintenance Resilience Project: Road Salt Storage	1.9	0.7	Motorway and Trunk Roads Network Operations
Education and Skills	9.0	9.1	
Gateway to the Valleys	2.0	2.1	Estate and IT Provision
Rationalisation of secondary school estate in Carmarthenshire	7.0	7.0	Estate and IT Provision
Environment and Sustainable Development	2.0	0.0	
Flood and Coastal Erosion Management projects: reduce risk to vulnerable premises in Colwyn Bay and Borth regions	2.0	0.0	Develop and implement flood and coastal risk, water and sewage policy and legislation
Housing, Regeneration and Heritage	10.0	5.0	
Houses Into Homes initiative	5.0	0.0	Increase the supply and choice of housing
West Rhyl Housing Regeneration project	5.0	5.0	Implementation of strategic regeneration areas
Total phase 2	35.9	21.5	
Total CRC allocations	44.2	29.6	

Source: Research Service calculations from Welsh Government, [Supplementary Budget 2012-13](#), [Supplementary Budget 2011-12](#), (February 2012) and Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Centrally Retained Capital](#), Cabinet Written Statement, 23 November 2011.

The second supplementary budget 2011-12²⁵ indicated that £8.3 million remained to be allocated to Phase 1 projects in 2012-13. These allocations are made in this supplementary budget.

In her written statement of November 2011,²⁶ the Minister for Finance announced that in relation to Phase 2 projects: £43.6 million would be allocated in 2012-13, and £43.7 million in 2013-14 across 16 projects.

This supplementary budget details allocations to phase 2 projects of £35.9 million in 2012-13 and £21.5 million in 2013-14. This means that allocations to phase 2 projects are £7.7 million less than stated in 2012-13, and £22.2 million less than stated in 2013-14, leaving a total of around £30 million to be allocated. The following awards were announced in the November 2011 statement²⁷, but for which no allocations appear in the current supplementary budget:

- £6 million to Flying Start;
- £10 million for next generation broadband;
- £7.5 million for Anglesey – Ysgol y Bont;
- £3 million for Merthyr Learning Quarter; and
- £3.5 million for North Wales Welsh medium school.

The Minister for Finance has confirmed that the shortfall in allocations relates to the above projects, and mainly reflected the fact that business cases are not yet finalised, thus it is expected that further allocations will be made in a subsequent supplementary budget for 2012-13, or in the 2013-14 financial year.

²⁵ Research Service, [Supplementary Budget 2011-12](#), February 2012 (Table 9 page 22) [accessed 29 June 2012]

²⁶ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Centrally Retained Capital](#), Cabinet Written Statement, 23 November 2011 [accessed 29 June 2012]

²⁷ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Centrally Retained Capital](#), Cabinet Written Statement, 23 November 2011 [accessed 29 June 2012]

3.2. Allocations in relation to Wales Infrastructure Investment Plan

Earlier this year the Welsh Government published their Wales Infrastructure Investment Plan (WIIP),²⁸ alongside which the Minister for Finance made an oral statement.²⁹ The WIIP detailed £44 million of capital allocations to be made in the 2012-13 financial year. These are actioned via this supplementary budget, and are shown in [table 9](#).

Table 9: Capital allocations relating to WIIP

Project	2012-13 (£ millions)	Action to which allocation made
Health Social Services and Children		
	6.8	
Ysbyty Glan Clwyd redevelopment	2.5	NHS Delivery
Llandough Hospital Acute Mental Health Unit	4.3	NHS Delivery
Local Government and Communities		
	3.2	
One Stop Shops for domestic abuse victims	0.5	Domestic abuse Motorway and Trunk Roads Network
M4 junction 33-34 hard shoulder running	1.5	Operations Motorway and Trunk Roads Network
M4 junction 49 signalisation	1.2	Operations
Business, Enterprise, Technology and Science		
	6.0	
Welsh Economic Growth Fund	2.5	Sectors
Deeside Enterprise Zone	3.5	Sectors
Education and Skills		
	8.0	
Transitional projects for 21st Century Schools	5.0	Estate and IT Provision
Cardiff City Centre Post-16 Campus	3.0	Estate and IT Provision
Environment and Sustainable Development		
	9.0	
NEST fuel poverty scheme	3.0	Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation
ARBED phase 2 energy efficiency scheme	2.0	Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation
Flood and coastal protection schemes	4.0	Develop and implement flood and coastal risk, water and sewage policy and legislation
Housing, Regeneration and Heritage		
	11.0	
Welsh Housing Partnership	6.0	Increase the supply and choice of housing
Houses Into Homes initiative	5.0	Increase the supply and choice of housing
Total	44.0	

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

²⁸ Welsh Government, [Wales Infrastructure Investment Plan](#), May 2012 [accessed 4 July 2012]

²⁹ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Wales Infrastructure Investment Plan for Growth and Jobs](#), Cabinet Oral Statement, 22 May 2012 [accessed 4 July 2012]

In addition to the projects detailed above, in her statement on the WIIP,³⁰ the Minister also spoke of a Welsh Mortgage Guarantee Scheme and a Welsh Housing Bond in relation to the current financial year. These are not mentioned in the supplementary budget. The Minister has stated that this is because both these schemes are still in development, and allocations will be reflected in subsequent budgets.³¹

4. Transfers between portfolios and restructuring

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

There has also been some restructuring of MEGs, as follows:

- In the Local Government and Communities MEG, the transport spending programme areas (SPAs) have undergone restructuring. A full reconciliation to the old structure is provided in the explanatory note accompanying the budget.³² This is stated to be in order to align budgets more closely with the priorities of the National Transport Plan.³³
- In the Business, Enterprise, Technology and Science MEG there have been a number of transfers between actions, and some minor restructuring. This is stated to be to support the delivery of the sectors strategy and central strategy programmes.³⁴ As part of this, the entire *Finance Wales* SPA/action and the *Marketing* SPA/action have been moved into the *Strategy and Corporate Programmes* SPA. Note that these movements are **not** shown in table 10 as they are internal movements within the MEG.
- In line with recent Ministerial portfolio changes the *Substance Misuse* action in the Local Government and Communities MEG has been transferred into the Health, Social Services and Children MEG, and renamed *Deliver the Substance Misuse Strategy Implementation Plan*.

³⁰ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Wales Infrastructure Investment Plan for Growth and Jobs](#), Cabinet Oral Statement, 22 May 2012 [accessed 29 June 2012]

³¹ National Assembly for Wales, Finance Committee RoP 4 July 2012 [no link available at time of writing]

³² Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (annex 2) [accessed 29 June 2012]

³³ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 5) [accessed 29 June 2012]

³⁴ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 27) [accessed 29 June 2012]

Table 10: Transfers between MEGs

From	£000s	To	£000s	Description
REVENUE TRANSFERS				
Health, Social Services and Children (HSSC)				
				Net movement: 22,704
HSSC: Support education and training of NHS workforce	-2,051	E&S: Higher Education	2,051	Payments to Cardiff University for medical and dental training.
HSSC: Support mental health policies and legislation	-1,970	CSA: Tribunals	1,970	For Mental Health Review Tribunals.
HSSC: Support mental health policies and legislation	-718	LGC: Funding support for local government	718	To support compliance with Mental Health Act 2007 and Deprivation of Liberty Safeguards
LGC: Substance misuse	-27,475	HSSC: Deliver the substance misuse strategy implementation plan	27,475	Reflects change in Ministerial portfolios.
HSSC: Deliver targeted health protection and immunisation activity	-32	LGC: Funding support for local government	32	Not detailed as less than £250,000
Local Government and Communities (LGC)				
				Net movement: -21,338
LGC: Funding support for local government	-1,595	CSA: Geographical information	1,595	To support pan-Wales Geographic Information Services.
HSSC: Support mental health policies and legislation	-718	LGC: Funding support for local government	718	To support compliance with Mental Health Act 2007 and Deprivation of Liberty Safeguards
HSC: Deliver targeted health protection and immunisation activity	-32	LGC: Funding support for local government	32	Not detailed as less than £250,000
LGC: Substance misuse	-27,475	HSSC: Deliver the substance misuse strategy implementation plan	27,475	Reflects change in Ministerial portfolios.
BETS:Sectors	-7,000	LGC: Sustainable travel	7,000	Budget transfer agreed after Supplementary Budget 2011-12 (Feb 2012)
LGC: Communities First	-18	HRH: Implementation of strategic regeneration areas	18	Not detailed as less than £250,000
ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	-30	HRH: Implementation of strategic regeneration areas	30	Not detailed as less than £250,000
Business, Enterprise, Technology and Science (BETS)				
				Net movement: -7,000
BETS:Sectors	-7,000	LGC: Sustainable travel	7,000	Budget transfer agreed after Supplementary Budget 2011-12 (Feb 2012)
Education and Skills (ES)				
				Net movement: 726
HSSC: Support education and training of NHS workforce	-2,051	E&S: Higher Education	2,051	Payments to Cardiff University for medical and dental training.
E&S: Welsh Language	-1,273	CSA: Staff costs	1,273	To meet salary and costs of staff transferred to Welsh Government from Welsh Language Board
E&S: Welsh Language	-52	CSA: IT costs (Revenue)	52	Not detailed as less than £250,000
Environment and Sustainable Development (ESD)				
				Net movement: -30
ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	-30	HRH: Implementation of strategic regeneration areas	30	Not detailed as less than £250,000
Housing, Regeneration and Heritage (HRH)				
				Net movement: 48
LGC: Communities First	-18	HRH: Implementation of strategic regeneration areas	18	Not detailed as less than £250,000
ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	-30	HRH: Implementation of strategic regeneration areas	30	Not detailed as less than £250,000
Central Services and Administration (CSA)				
				Net movement: 4,890
E&S: Welsh Language	-1,273	CSA: Staff costs	1,273	To meet salary and costs of staff transferred to Welsh Government from Welsh Language Board
HSSC: Support mental health policies and legislation	-1,970	CSA: Tribunals	1,970	For Mental Health Review Tribunals.
LGC: Funding support for local government	-1,595	CSA: Geographical information	1,595	To support pan-Wales Geographic Information Services.
E&S: Welsh Language	-52	CSA: IT costs (Revenue)	52	Not detailed as less than £250,000

Table 10: Transfers between MEGs (continued)

From	£000s	To	£000s	Description
CAPITAL TRANSFERS				
Health, Social Services and Children (HSSC)				Net movement: 5,690
LGC: Substance misuse	-5,690	HSC: Deliver the substance misuse strategy implementation plan	5,690	Reflects change in Ministerial portfolios.
Local Government and Communities (LGC)				Net movement: -5,690
LGC: Substance misuse	-5,690	HSC: Deliver the substance misuse strategy implementation plan	5,690	Reflects change in Ministerial portfolios.
Environment and Sustainable Development (ESD)				Net movement: 2,740
HRH: Achieve quality housing	-270	ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	270	Contribution to match funding for ARBED Phase 2, the Strategic Energy Performance Investment programme.
HRH: Increase the supply and choice of housing	-1,100	ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	1,100	Contribution to match funding for ARBED Phase 2, the Strategic Energy Performance Investment programme.
HRH: Implementation of strategic regeneration areas	-1,370	ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	1,370	Contribution to match funding for ARBED Phase 2, the Strategic Energy Performance Investment programme.
Housing, Regeneration and Heritage (HRH)				Net movement: -2,740
HRH: Achieve quality housing	-270	ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	270	Contribution to match funding for ARBED Phase 2, the Strategic Energy Performance Investment programme.
HRH: Increase the supply and choice of housing	-1,100	ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	1,100	Contribution to match funding for ARBED Phase 2, the Strategic Energy Performance Investment programme.
HRH: Implementation of strategic regeneration areas	-1,370	ESD: Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulations	1,370	Contribution to match funding for ARBED Phase 2, the Strategic Energy Performance Investment programme.

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

5. Health, Social Services and Children (HSSC)

Table 11 summarises changes at the spending programme area (SPA) levels in the HSSC MEG as compared with the Final Budget 2012-13. From this it can be seen that:

- There is an increase in TME of £75.9 million, or 1.2 per cent.
- This consists of a £56 million (0.9 per cent) increase in total DEL and a £19.9 million (11.0 per cent) increase in AME.
- The change in total DEL comprises an increase of £34.9 million (0.6 per cent) in revenue DEL and an increase of £21.1 million (8.8 per cent) in capital DEL.

The £34.9 million increase in revenue DEL is due to:

- An allocation of £12.2 million from revenue reserves to the *NHS Delivery SPA*³⁵, in relation to waiting times for orthopaedic services, as detailed in **table 7**. This is stated³⁶ to be part of the £65 million package of funding announced in March 2011.³⁷
- An increase of £22.7 million as a result of transfers between MEGs, as detailed in **table 10**.

The £21.1 million increase in capital DEL is due to:

- Allocations from reserves of £15.4 million:
 - £8.6 million in relation to phase 2 CRC allocations, as detailed in **table 8**;
 - £6.8 million in WIIP allocations as detailed in **table 9**.
- An increase of £5.7 million as a result of transfers between MEGs, as detailed in **table 10**.

The £19.9 million increase in AME is stated to be due to revised forecasts for provisions and impairments in the NHS.³⁸

In addition to these changes, there have been a number of internal transfers within the HSSC MEG; these are shown, at action³⁹ level, in **table 12**.

³⁵ To the *Delivery of Core NHS Services* revenue action.

³⁶ Welsh Government, *Supplementary Budget 2012-13 Explanatory Note*, June 2012 (page 17) [accessed 29 June 2012]

³⁷ Welsh Government, News Release, *£65 million to cut waiting times for orthopaedic services across Wales*, 31 March 2011 [accessed 29 June 2012]

³⁸ Welsh Government, *Supplementary Budget 2012-13 Explanatory Note*, June 2012 (page 17) [accessed 29 June 2012]

³⁹ **Action** - The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Actions are the most detailed level published in the budget documentation and indicate policy or initiative areas. However, it should be noted that actions may not necessarily provide detail of allocations at the level of specific policy or programme. Actions were previously known as budget expenditure lines (BELs).

Table 11: Changes to HSSC allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
NHS Delivery	5,491,962	5,505,426	13,464	0.2
Health Central Budgets	205,374	227,920	22,546	11.0
Public Health & Prevention	157,548	157,071	-477	-0.3
Social Services	182,104	181,475	-629	-0.3
CAFCASS Cymru	9,635	9,635	0	0.0
TOTAL REVENUE	6,046,623	6,081,527	34,904	0.6
CAPITAL DEL				
NHS Delivery	230,279	245,699	15,420	6.7
Health Central Budgets	0	5,690	5,690	..
Public Health & Prevention	5,039	5,039	0	0.0
Social Services Strategy	5,285	5,285	0	0.0
TOTAL CAPITAL	240,603	261,713	21,110	8.8
AME				
NHS Impairments and Provisions	181,780	201,710	19,930	11.0
TOTAL AME	181,780	201,710	19,930	11.0
Revenue DEL	6,046,623	6,081,527	34,904	0.6
Capital DEL	240,603	261,713	21,110	8.8
TOTAL DEL	6,287,226	6,343,240	56,014	0.9
Annually Managed Expenditure	181,780	201,710	19,930	11.0
TOTAL HSSC	6,469,006	6,544,950	75,944	1.2

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

Table 12: Transfers within HSSC, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Delivery of core NHS services	-31,452		Delivery of targeted NHS services	31,452		Shared Services
Delivery of targeted NHS services	-13,066		Delivery of core NHS services	13,066		Primary care contracts
Delivery of targeted NHS services	-6,000		Delivery of core NHS services	6,000		Funding for hospital and community health
Promote health improvement and healthy working	-1,074		Delivery of core NHS services	1,074		Diabetic Capacity Grant
Support mental health policies and legislation	-159		Delivery of core NHS Services	159		Not detailed, less than £250,000
Support mental health policies and legislation	-31		Delivery of targeted NHS Services	31		Not detailed, less than £250,000
Childrens social services	-629		Sponsorship of public health bodies	629		For New born bloodspot screening
Promote health improvement and healthy working	-8,310		Sponsorship of public health bodies	8,310		In respect of Public Health Wales
Total transfers	-60,721			60,721		

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

6. Local Government and Communities (LGC)

Table 13 summarises changes at the spending programme area (SPA) levels in the LGC MEG as compared with the Final Budget 2012-13.

- There is a decrease in TME of £21.8 million, or 0.4 per cent.
- This consists of a £8.9 million (0.2 per cent) decrease in total DEL and a £12.9 million (20.1 per cent) decrease in AME.
- The change in total DEL comprises a decrease of £16.6 million (0.3 per cent) in revenue DEL and an increase of £7.7 million (2.9 per cent) in capital DEL.

The £16.6 million decrease in revenue DEL is due to:

- Allocations of £4.8 million from revenue reserves, as detailed in **table 7**:
 - £4 million to the *Sustainable Travel* SPA/action, in relation to the Local Government Borrowing Initiative;⁴⁰ and
 - £754,000 to the *Supporting People and Communities* SPA,⁴¹ to support provision of Free Advice Services.
- A net decrease of £21.3 million as a result of transfers between MEGs, as detailed in **table 10**.

The £7.7 million increase in capital DEL is due to:

- Allocations from reserves of £13.4 million:
 - £10.2 million in relation to CRC allocations (£3.9 million for phase 1 projects and £6.3 million for phase 2 projects), as detailed in **table 8**;
 - £3.2 million in WIIP allocations as detailed in **table 9**.
- A decrease of £5.7 million as a result of transfers between MEGs, as detailed in **table 10**.

The £12.9 million (20.1 per cent) decrease in AME is stated to be due to revised forecasts for improvement and maintenance of the trunk road network.⁴²

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 SPAs relating to transport in this MEG have undergone restructuring, which is stated to be in order to align the budget better with the priorities in the National

⁴⁰ Welsh Government, News Release, [*Local authorities to get borrowing boost from Welsh Government for investment in highways*](#), 1 February 2012 [accessed 4 July 2012]

⁴¹ To the *Third Sector* revenue action.

⁴² Welsh Government, [*Supplementary Budget 2012-13 Explanatory Note*](#), June 2012 (page 22) [accessed 29 June 2012]

Transport Plan.⁴³ A reconciliation of the new structures to the previous structure is provided in the explanatory note accompanying the supplementary budget.⁴⁴

Table 13: Changes to LGC allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
Local Government Funding	4,240,114	4,239,269	-845	-0.0
Supporting Communities and People	53,227	53,963	736	1.4
Safer Communities	44,026	16,551	-27,475	-62.4
Improving Services, Collaboration and Democracy	41,896	41,896	0	0.0
Care & Social Services Inspectorate	15,190	15,190	0	0.0
Healthcare Inspectorate Wales	2,722	2,722	0	0.0
Estyn	12,968	12,968	0	0.0
Motorway and Trunk Road Network Operations	168,951	168,951	0	0.0
Rail & Air Services	173,971	173,971	0	0.0
Sustainable Travel	84,091	95,091	11,000	13.1
Improve Road Safety	5,716	5,716	0	0.0
TOTAL REVENUE	4,842,872	4,826,288	-16,584	-0.3
CAPITAL DEL				
Local Government Funding	20,000	20,000	0	0.0
Supporting Communities and People	14,774	14,774	0	0.0
Safer Communities	8,529	3,339	-5,190	-60.9
Estyn	315	315	0	0.0
Motorway and Trunk Road Operations	46,366	55,366	9,000	19.4
Road & Rail Investment	92,794	96,694	3,900	4.2
Sustainable Travel	43,826	43,826	0	0.0
Improve and Maintain Local Roads Infrastructure	28,137	28,137	0	0.0
Improve Road Safety	6,900	6,900	0	0.0
TOTAL CAPITAL	261,641	269,351	7,710	2.9
AME				
Local Government Funding	20,717	20,717	0	0.0
Improve Domestic Connectivity (Regional & National)	43,597	30,668	-12,929	-29.7
TOTAL AME	64,314	51,385	-12,929	-20.1
Revenue DEL	4,842,872	4,826,288	-16,584	-0.3
Capital DEL	261,641	269,351	7,710	2.9
TOTAL DEL	5,104,513	5,095,639	-8,874	-0.2
Annually Managed Expenditure	64,314	51,385	-12,929	-20.1
TOTAL LGC	5,168,827	5,147,024	-21,803	-0.4

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

⁴³ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 25) [accessed 29 June 2012]

⁴⁴ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (Annex 2, pages 49-50) [accessed 29 June 2012]

Table 14: Transfers within LGC, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Financial Inclusion	-250		Communities First	250		Post Office Development Fund
Financial Inclusion	-650		Third sector	650		Welsh Credit Unions
Driving better collaboration	-1,675		Supporting collaboration and	1,675		Realignment of budgets
Local Government and	-2,575			2,575		

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

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

[Table 15](#) summarises changes at the spending programme area (SPA) levels in the BETS MEG as compared with the Final Budget 2012-13.

- There is an increase in TME of £2.9 million, or 0.9 per cent.
- This consists entirely of an increase in total DEL.
- The change in total DEL comprises a decrease of £6.0 million (3.3 per cent) in revenue DEL and an increase of £8.9 million (9.9 per cent) in capital DEL.

The £6 million decrease in revenue DEL is due to:

- An allocation of £1 million from revenue reserves, as detailed in [table 7](#). This is the result of a transfer from the UK Government DEFRA to the *Rural Affairs* SPA.⁴⁵ This relates to supplementary funding to local authorities to deliver animal health and welfare reinforcement priorities and deliver the Animal Movements licensing System.⁴⁶
- A net decrease of £7 million as a result of transfers between MEGs, as detailed in [table 10](#).

The £8.9 million increase in capital DEL is due entirely to allocations from reserves:

- £2.9 million in relation to phase 1 CRC allocations, as detailed in [table 8](#);
- £6 million in WIIP allocations as detailed in [table 9](#).

There is no change to AME in the BETS MEG.

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](#).

⁴⁵ To the *Meeting the needs of rural communities and rural proofing WAG actions* action

⁴⁶ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 27) [accessed 29 June 2012]

Table 15: Changes to BETS allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
Sectors and Business	43,826	50,722	6,896	15.7
Science and Innovation	5,785	10,656	4,871	84.2
Regional Funding	2,005	0	-2,005	-100.0
Finance Wales	4,802	0	-4,802	-100.0
Major Events	3,870	4,831	961	24.8
Marketing	2,796	0	-2,796	-100.0
Infrastructure	22,415	22,415	0	0.0
Strategy & Corporate Programmes	4,880	12,478	7,598	155.7
WEFO	1,522	1,522	0	0.0
Rural Affairs	78,246	74,246	-4,000	-5.1
Tourism	12,723	0	-12,723	-100.0
TOTAL Revenue	182,870	176,870	-6,000	-3.3
CAPITAL DEL				
Sectors and Business	59,992	68,832	8,840	14.7
Science & Innovation	357	1,107	750	210.1
Regional Funding	995	0	-995	-100.0
Finance Wales	1,500	0	-1,500	-100.0
Infrastructure	11,031	11,031	0	0.0
Strategy & Corporate Programmes	417	1,917	1,500	359.7
Rural Affairs	12,569	15,469	2,900	23.1
Tourism	2,595	0	-2,595	-100.0
TOTAL Capital	89,456	98,356	8,900	9.9
AME				
Infrastructure	41,402	41,402	0	0.0
TOTAL AME	41,402	41,402	0	0.0
Revenue DEL	182,870	176,870	-6,000	-3.3
Capital DEL	89,456	98,356	8,900	9.9
TOTAL DEL	272,326	275,226	2,900	1.1
Annually Managed Expenditure	41,402	41,402	0	0.0
TOTAL BETS	313,728	316,628	2,900	0.9

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

Table 16: Transfers within BETS, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Developing and marketing the Welsh food and drink sector	-5,000		Sectors	5,000		Support delivery of new food and farming sector
Increase visitor demand and conversion	-7,626		Sectors	7,626		Support delivery of new tourism sector
Developing the visitor experience	-4,136		Sectors	4,136		Support delivery of new tourism sector
Regional Funding	-2,005		Sectors	2,005		In support of the nine sectors
Sectors	-4,871		Innovation	4,871		To align the Academia for Business programme to the Science and Innovation agenda
Increase visitor demand and conversion	-961		Major events	961		To align budgets for major events related activity
Strategy programmes	-468		Corporate programmes	468		To support delivery of central strategy programmes
Sectors		-750	Innovation		750	To align the Academia for Business programme to the Science and Innovation agenda
Regional funding		-995	Sectors		995	To release funding in support of the nine sectors
Developing the visitor experience		-2,595	Sectors		2,595	Support delivery of the new tourism sector
Business, Enterprise, Technology and Science	-25,067	-4,340		25,067	4,340	

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

8. Education and Skills (E&S)

[Table 17](#) summarises changes at the spending programme area (SPA) levels in the E&S MEG as compared with the Final Budget 2012-13.

- There is an increase in TME of £45.9 million, or 2.3 per cent.
- This consists of a £18.1million (1.0 per cent) increase in total DEL and a £27.8 million (18.5 per cent) increase in AME.
- The change in total DEL comprises an increase of £1.1 million (0.1 per cent) in revenue DEL and an increase of £17.0 million (10.5 per cent) in capital DEL.

The £1.1 million increase in revenue DEL is due to:

- Allocation of £393,000 from revenue reserves, as detailed in [table 7](#). This has gone into the *Education and Training Standards* SPA,⁴⁷ in respect of the Pupil Deprivation Grant.
- A net increase of £726,000 as a result of transfers between MEGs, as detailed in [table 10](#).

The £17.0 million increase in capital DEL is due to allocations from reserves:

- £9 million in relation to phase 2 CRC allocations, as detailed in [table 8](#);
- £8 million in WIIP allocations as detailed in [table 9](#).

⁴⁷ To the *Pupil Deprivation Grant* action.

The £27.8 million (18.5 per cent) decrease in AME is stated to be due to revised forecasts in respect of Student Loans.⁴⁸

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 18](#).

Table 17: Changes to E&S allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
Education and Training Standards	1,165,476	1,166,961	1,485	0.1
Skilled Workforce	89,669	89,649	-20	-0.0
Economic and Social Wellbeing and Reducing Inequality	390,762	390,752	-10	-0.0
Welsh Language	26,355	24,976	-1,379	-5.2
Delivery Support	3,148	4,191	1,043	33.1
TOTAL REVENUE	1,675,410	1,676,529	1,119	0.1
CAPITAL DEL				
Education and Training Standards	161,243	178,293	17,050	10.6
Welsh Language Board	100	0	-100	-100.0
TOTAL CAPITAL	161,343	178,293	16,950	10.5
AME				
Economic and Social Wellbeing and Reducing Inequality	150,525	178,309	27,784	18.5
TOTAL AME	150,525	178,309	27,784	18.5
Revenue DEL	1,675,410	1,676,529	1,119	0.1
Capital DEL	161,343	178,293	16,950	10.5
TOTAL DEL	1,836,753	1,854,822	18,069	1.0
Annually Managed Expenditure	150,525	178,309	27,784	18.5
TOTAL E&S	1,987,278	2,033,131	45,853	2.3

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

⁴⁸ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 33) [accessed 29 June 2012]

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

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Curriculum	-693		Delivery support	693		For International Education Programme relating to the National Centre for Languages
Qualifications	-4,700		Post 16 education	4,700		For work-based learning Welsh Baccalaureate delivery
Post 16 education	-70		Delivery Support	70		Not detailed, less than £250,000
Teaching and Leadership	-66		Delivery Support	66		Not detailed, less than £250,000
Higher Education	-100		Delivery Support	100		Not detailed, less than £250,000
Education standards	-30		Delivery Support	30		Not detailed, less than £250,000
Employability of the workforce	-20		Delivery Support	20		Not detailed, less than £250,000
Access opportunities	-10		Delivery Support	10		Not detailed, less than £250,000
Welsh Language	-4,035		Welsh in education	4,035		Relates to grants now being managed by the Welsh in Education unit.
Welsh Language	-54		Delivery Support	54		Not detailed, less than £250,000
Education and Skills	-9,778			9,778		

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

9. Environment and Sustainable Development (ESD)

[Table 19](#) summarises changes at the spending programme area (SPA) levels in the ESD MEG as compared with the Final Budget 2012-13.

- There is an increase in TME of £13.7 million, or 4.2 per cent.
- This consists entirely of an increase in total DEL; there is no AME in the ESD MEG.
- The change in total DEL comprises a decrease of £30,000 in revenue DEL and increase of £13.7 million (22.3 per cent) in capital DEL.

The £30,000 decrease in revenue DEL is the net result of transfers between MEGs, as detailed in table 10.

The £13.74 million increase in capital DEL is due to:

- Allocations from reserves of £11 million:
 - £2 million in relation to phase 2 CRC allocations, as detailed in [table 8](#);
 - £9 million in WIIP allocations as detailed in [table 9](#).
- A net increase of £2.7 million as a result of transfers between MEGs, as detailed in [table 10](#).

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](#).

Table 19: Changes to ESD allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
Climate Change and Sustainability	115,885	115,855	-30	-0.0
Environment	80,887	80,887	0	0.0
Planning	7,403	7,403	0	0.0
Protecting & Improving Animal Health & Welfare	39,454	39,454	0	0.0
Evidence Base	354	354	0	0.0
Forestry	21,200	21,200	0	0.0
TOTAL REVENUE	265,183	265,153	-30	-0.0
CAPITAL DEL				
Climate Change and Sustainability	57,196	69,936	12,740	22.3
Environment	4,600	5,600	1,000	21.7
Evidence Base	38	38	0	0.0
Forestry	-205	-205	0	0.0
TOTAL CAPITAL	61,629	75,369	13,740	22.3
TOTAL AME	0	0	0	0.0
Revenue DEL	265,183	265,153	-30	-0.0
Capital DEL	61,629	75,369	13,740	22.3
TOTAL DEL	326,812	340,522	13,710	4.2
Annually Managed Expenditure	0	0	0	0.0
TOTAL ESD	326,812	340,522	13,710	4.2

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

Table 20: Transfers within ESD, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Deliver nature conservation and marine policies	-735		Promote protected landscapes and countryside access	735		To fund changes to the administration of Sustainable Development Fund by National Park Authorities.
Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation	-120		Develop and implement flood and coastal risk, water and sewage policy and legislation	120		Not detailed, less than £250,000
Develop and implement flood and coastal risk, water and sewage policy and legislation		-1,000	Sponsor and manage delivery bodies		1,000	To fund development of the Single Environmental Body infrastructure
Environment and Sustainable Development	-855	-1,000		855	1,000	

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

10. Housing, Regeneration and Heritage (HRH)

Table 21 summarises changes at the spending programme area (SPA) levels in the HRH MEG as compared with the Final Budget 2012-13.

- There is an increase in TME of £12.8 million, or 2.5 per cent.
- This consists of a £19.8 million (3.5 per cent) increase in total DEL and a £7.0 million (12.0 per cent) decrease in AME.
- The change in total DEL comprises an increase of £48,000 in revenue DEL and an increase of £19.8 million (6.7 per cent) in capital DEL.

The £48,000 increase in revenue DEL is due to transfers between MEGs as shown in **table 10**. As none of these transfers are over £250,000, there is no detail provided in the Supplementary Budget documentation.

The £19.8 million increase in capital DEL is due to:

- Allocations from reserves of £22.5 million:
 - £11.5 million in relation to CRC allocations, (£1.5 million for phase 1 projects and £10 million for phase 2 projects), as detailed in **table 8**;
 - £11 million in WIIP allocations as detailed in **table 9**.

A net decrease of £2.74 million as a result of transfers between MEGs, as detailed in **table 10**.

The £7.0 million (12.0 per cent) decrease in AME is stated to be due to revised forecasts in respect of Housing Revenue Account Subsidy repayments to HM Treasury.⁴⁹

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**.

⁴⁹ Welsh Government, *Supplementary Budget 2012-13 Explanatory Note*, June 2012 (page 40) [accessed 29 June 2012]

Table 21: Changes to HRH allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
Housing	151,147	151,147	0	0.0
Regeneration	14,336	14,384	48	0.3
Support and sustain a strong arts sector via the Arts Council and others	34,802	34,802	0	0.0
Museums, Archives and Libraries	37,436	37,436	0	0.0
Delivery of effective sports & physical activity programmes	24,923	24,923	0	0.0
Media & publishing	3,980	3,980	0	0.0
Conserve, protect, sustain and promote access to the historic environment	11,658	11,658	0	0.0
TOTAL REVENUE	278,282	278,330	48	0.0
CAPITAL DEL				
Housing	231,970	247,600	15,630	6.7
Regeneration	51,477	56,607	5,130	10.0
Support and sustain a strong arts sector via the Arts Council and others	455	455	0	0.0
Museums, Archives and Libraries	4,973	3,973	-1,000	-20.1
Delivery of effective sports & physical activity programmes	345	345	0	0.0
Media & publishing	25	25	0	0.0
Conserve, protect, sustain and promote access to the historic environment	5,313	5,313	0	0.0
TOTAL CAPITAL	294,558	314,318	19,760	6.7
AME				
Museums and Libraries Pensions	2,490	2,490	0	0.0
Housing	-61,000	-68,000	-7,000	-11.5
TOTAL AME	-58,510	-65,510	-7,000	12.0
Revenue DEL	278,282	278,330	48	0.0
Capital DEL	294,558	314,318	19,760	6.7
TOTAL DEL	572,840	592,648	19,808	3.5
Annually Managed Expenditure	-58,510	-65,510	-7,000	-12.0
TOTAL HRH	514,330	527,138	12,808	2.5

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

Table 22: Transfers within HRH, at action level

From	Revenue (£000s)	Capital (£000s)	To	Revenue (£000s)	Capital (£000s)	Description
Foster useage and lifelong learning through library services	-300		Strategic leadership for museum, archive and library services	300		Funding the People's Collection
Foster useage and lifelong learning through museum services		-1,000	Increase the supply and choice of housing		1,000	To deliver additional housing units
Housing, Regeneration and Heritage	-300	-1,000		300	1,000	

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

11. Central Services and Administration (CSA)

[Table 23](#) summarises changes at the spending programme area (SPA) levels in the CSA MEG as compared with the Final Budget 2012-13.

- There is an increase in TME of £13.0 million, or 3.7 per cent.
- This consists of a £12.964 million (3.7 per cent) increase in total DEL and a £5,000 (0.3 per cent) decrease in AME.
- The change in total DEL consists entirely of an increase in revenue DEL. There is no change to capital DEL in the CSA MEG.

The £12.959 million increase in revenue DEL is due to:

- Allocations from reserves of £10 million to the *Invest-to-Save* action, as shown in [table 7](#). This is stated to be in respect of the round 6 projects announced earlier in June.⁵⁰
- A transfer out to reserves of £1.9 million from the *Geographic Information* action, as shown in [table 7](#) in respect of a transfer to the UK Government's Department of Business, innovation and Skills in respect of pan-Wales geographic information services.
- A net increase of £4.9 million as a result of transfers between MEGs, as detailed in [table 10](#).

The £5,000 (0.3 per cent) decrease in AME is stated to be is due to revised forecasts in respect of provisions for early retirement.⁵¹

There are no transfers within the CSA MEG.

⁵⁰ Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Invest to Save](#), Cabinet oral statement, 19 June 2012 [accessed 4 July 2012]

⁵¹ Welsh Government, [Supplementary Budget 2012-13 Explanatory Note](#), June 2012 (page 43) [accessed 29 June 2012]

Table 23: Changes to CSA allocations

Spending Programme Area (SPA)	2012-13 Final Budget	2012-13 Supplementary Budget	2012-13 change from Final to Supplementary budget	
	£000	£000	£000	Per cent
REVENUE DEL				
Delegated Running Costs	204,340	205,613	1,273	0.6
Central Running Costs	91,377	91,429	52	0.1
Information & Support Services	11,377	23,016	11,639	102.3
Central Programmes	14,361	14,361	0	0.0
TOTAL REVENUE	321,455	334,419	12,964	4.0
CAPITAL DEL				
Central Running Costs	11,145	11,145	0	0.0
Central Programmes	17,319	17,319	0	0.0
TOTAL CAPITAL	28,464	28,464	0	0.0
AME				
Provisions for Early Retirement	-1,837	-1,842	-5	0.3
TOTAL AME	-1,837	-1,842	-5	0.3
Revenue DEL	321,455	334,419	12,964	4.0
Capital DEL	28,464	28,464	0	0.0
TOTAL DEL	349,919	362,883	12,964	3.7
Annually Managed Expenditure	-1,837	-1,842	-5	0.3
TOTAL CSA	348,082	361,041	12,959	3.7

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