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## 1. Introduction

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- 1.1** The Welsh Government today tabled the second supplementary budget for 2018-19 in accordance with Standing Order 20. This supplementary budget proposes changes to the first supplementary budget for 2018-19 as approved by the National Assembly for Wales ('the Assembly') on 10 July 2018.
- 1.2** Since the publication of the first supplementary budget there have been changes in ministerial responsibilities. The first supplementary budget baseline figures in the tables within this document have been restated in accordance with the new ministerial portfolios announced on 13 December 2018. Annex 1 provides a reconciliation of the movements between MEGs as a result of the changes announced.
- 1.3** This supplementary budget regularises a number of allocations to and from reserves and transfers within and between portfolios. It includes adjustments to the Wales budget to reflect revised forecasts of devolved tax revenues; plans to borrow; transfers and consequentials received in the UK Government's October Budget, 2018; and changes in Annually Managed Expenditure forecasts, in line with the latest details provided to HM Treasury.
- 1.4** The changes proposed in this budget are summarised in the following chapters.
- 1.5** This document supports the detailed 'Budget Expenditure Line (BEL) Tables' available on the Welsh Government's website.

## **2 Changes to the Wales Budget since the First Supplementary Budget 2018-19**

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- 2.1** There are a number of changes which reflect revisions since the first supplementary budget 2018-19 was agreed by the Assembly on 10 July 2018. The changes comprise adjustments to resource and capital baselines, transfers between ministerial portfolios and allocations from Reserves.
- 2.2** The supplementary budget builds on the allocations set out in the draft and final budget 2018-19 to progress the commitments in the National Strategy: Prosperity for All incorporating the objectives under the Well-being of Future Generations (Wales) Act.

Tables 2.1 to 2.3 set out the net impact of all the changes and table 2.4 summarises the total allocations by MEG in this supplementary budget.

**Table 2.1 – Sources of Finance for Welsh Government**

COMPONENTS OF WELSH GOVERNMENT FINANCING	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019
	£000s	£000s	£000s
<b>RESOURCE FINANCING</b>			
<b>Departmental Expenditure Limit (DEL):</b>			
Fiscal	13,275,148	64,632	13,339,780
Non-Fiscal	664,279	240,000	904,279
<b>Annually Managed Expenditure (AME):</b>			
Fiscal	26,422	(2,025)	24,397
Non-Fiscal	53,757	48,369	102,126
<b>Wales Devolved Financing:</b>			
Non Domestic Rates	1,050,000	0	1,050,000
Land Transaction Tax	250,000	(11,000)	239,000
Landfill Disposals Tax	26,000	21,000	47,000
Principal repayment of borrowing	(120)	0	(120)
<b>TOTAL RESOURCE FINANCING</b>	<b>15,345,486</b>	<b>360,976</b>	<b>15,706,462</b>
<b>CAPITAL FINANCING</b>			
<b>Departmental Expenditure Limit (DEL):</b>			
General	1,622,012	103,976	1,725,988
Financial Transactions	281,443	0	281,443
Drawdown from the Wales Reserve	0	50,000	50,000
<b>Annually Managed Expenditure (AME):</b>			
Capital	661,816	13,318	675,134
<b>Wales Devolved Financing:</b>			
Borrowing	125,000	-49,000	76,000
<b>TOTAL CAPITAL FINANCING</b>	<b>2,690,271</b>	<b>118,294</b>	<b>2,808,565</b>
<b>TOTAL WELSH FINANCING</b>	<b>18,035,757</b>	<b>479,270</b>	<b>18,515,027</b>

**Table 2.2 – Allocation of the Wales Budget**

MAIN EXPENDITURE GROUPS (MEGs)		£000s		
		2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019
Health and Social Services		7,795,754	194,441	7,990,195
Housing and Local Government		5,445,993	116,496	5,562,489
Economy and Transport		1,133,861	145,121	1,309,782
Education		2,246,932	302,201	2,549,694
International Relations and the Welsh Language		200,013	4,907	173,559
Environment, Energy and Rural Affairs		295,004	527	295,531
Central Services and Administration		328,349	45,388	373,737
<b>Total Allocation to Welsh Government MEGs</b>		<b>17,445,906</b>	<b>809,081</b>	<b>18,254,987</b>
Unallocated Resource	Fiscal Resource	129,391	(94,007)	35,384
	Non-Fiscal Resource	138,407	7,774	146,181
Unallocated Capital	General	126,380	(125,717)	663
	Financial Transactions	127,095	(116,825)	10,270
Assembly Commission *		56,088	(1,000)	55,088
Public Services Ombudsman for Wales **		4,480	-	4,480
Wales Audit Office		7,261	-	7,261
Direct Charges to the Welsh Consolidated Fund		749	(36)	713
<b>TOTAL WELSH BUDGET</b>		<b>18,035,757</b>	<b>479,270</b>	<b>18,515,027</b>

**Notes:**

\* A supplementary budget for 2018-19 was presented to Plenary by The Assembly Commission in December 2018. It reported a decrease of £500k in both its fiscal and resource AME requirements.

\*\* A second supplementary budget for 2018-19 was presented to the Finance Committee by the Public Service Ombudsman for Wales (PSOW) on 9 January 2019. It reflected a resource to capital switch of £204k which had no impact on the total managed expenditure for PSOW.

**Table 2.3 – Changes to the Welsh Government MEG Resource Allocations**

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	FISCAL			NON-FISCAL		
	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019
Health and Social Services	7,124,091	70,567	<b>7,194,658</b>	190,000	1,500	<b>191,500</b>
Housing and Local Government	3,749,986	(1,366)	<b>3,748,620</b>	400	(200)	<b>200</b>
Economy and Transport	482,917	36,601	<b>538,318</b>	190,000	(40,000)	<b>150,000</b>
Education	1,361,222	25,490	<b>1,399,273</b>	107,039	264,115	<b>371,154</b>
International Relations and the Welsh Language	170,231	(1,772)	<b>137,098</b>	6,677	-	<b>6,677</b>
Environment, Energy and Rural Affairs	183,784	(2,394)	<b>181,390</b>	13,086	2,921	<b>16,007</b>
Central Services and Administration	286,323	42,253	<b>328,576</b>	16,000	3,890	<b>19,890</b>
<b>Total Allocation to Welsh Government MEGs</b>	<b>13,358,554</b>	<b>169,379</b>	<b>13,527,933</b>	<b>523,202</b>	<b>232,226</b>	<b>755,428</b>

**Table 2.4 – Changes to the Welsh Government MEG Capital Allocations**

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	GENERAL CAPITAL			FINANCIAL TRANSACTIONS		
	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019
Health and Social Services	363,663	69,374	<b>433,037</b>	1,000	-	<b>1,000</b>
Housing and Local Government	519,937	86,247	<b>606,184</b>	99,248	33,840	<b>133,088</b>
Economy and Transport	389,405	67,934	<b>457,339</b>	47,920	83,680	<b>131,600</b>
Education	214,089	500	<b>214,589</b>	-	(186)	<b>(186)</b>
International Relations and the Welsh Language	20,092	7,578	<b>27,670</b>	-	(899)	<b>(899)</b>
Environment, Energy and Rural Affairs	89,554	-	<b>89,554</b>	6,180	-	<b>6,180</b>
Central Services and Administration	23,087	(1,144)	<b>21,943</b>	-	390	<b>390</b>
<b>Total Allocation to Welsh Government MEGs</b>	<b>1,619,827</b>	<b>230,489</b>	<b>1,850,316</b>	<b>154,348</b>	<b>116,825</b>	<b>271,173</b>

**2.3** An overview of the changes to the sources of finance are provided below and details of transfers between ministerial portfolios and allocations from Reserves can be found in sections 3 and 5 respectively.

## **Adjustments to Sources of Finance**

### **Fiscal Resource**

**2.4** The Fiscal Resource baseline has increased by a net amount of £64,632k since the first supplementary budget and includes the following:

- An increase of £98,052k as a result of consequential received from the UK Government which include;
  - An increase of £47,300k as a result of the NHS pay settlement;
  - An increase of £20,600k in relation to the UK's exit from the EU; and
  - An increase of £8,700k in respect of Teachers' pay;
- An increase of £30,000k from HM Treasury in respect of the increase in personal injury claims liability as a result of changes in the discount rate;
- A net decrease of £(20,293)k as a result of transfers with other government departments including:
  - A transfer out of £(24,800)k to the Department for Transport in respect of the new rail franchise access charge adjustment; and
  - An increase of £3,400k in respect of a transfer from the Ministry of Justice in respect of 'Offender Learning' at HMP Berwyn;
- A net decrease of £(43,200)k as a result of 4 budget switches within the Welsh Government DEL, comprising:
  - A decrease of £(48,000)k as a result of a resource to general capital switch in respect of the reclassification of research and development; and
  - An increase of £24,800k as a result of a general capital to resource switch to cover the transfer to the Department for



Transport in respect of the new rail franchise access charge adjustment;

- A decrease of £(12,000)k reflecting a resource to capital switch to facilitate capital expenditure for the health service; and
- A decrease of £(8,000)k reflecting a switch to general capital to manage the end year position
- An increase of £5,422k in respect of the Immigration Health Surcharge consisting of a transfer in of £4,357k from the Home Office plus £1,065k from HM Treasury relating to prior year receipts; and
- A decrease of £(5,349)k as a result of revisions to the Block Grant Adjustment.

### Non-Fiscal Resource

- 2.5** The non-fiscal resource baseline has increased by £240,000k since the first supplementary budget due to an additional allocation from HM Treasury primarily to address the impact of raising the threshold at which student loans must be repaid.

### Wales Devolved Financing

- 2.6** There is a total increase of £10,000k to the forecasts of devolved tax revenues. Forecast revenues from Land Transaction Tax have decreased by £11,000k whilst forecast revenues from Landfill Disposals Tax have increased by £21,000k. These forecasts reflect those published, and independently scrutinised, alongside the final budget 2019-20.

### General Capital

- 2.7** The General Capital baseline has increased by £103,976k since the first supplementary budget and includes the following:
- An increase of £57,236k as a result of consequential from the UK Government;

- A net increase of £43,200k as a result of 4 budget switches between Fiscal Resource and General Capital as detailed in paragraph 2.4; and
- A net increase of £3,540k as a result of transfers with other government departments including:
  - A transfer in of £2,069k from the Department for Business, Energy and Industrial Strategy (BEIS) in respect of Energy Efficiency.

#### Drawdown from the Wales Reserve

**2.8** £50,000k will be drawn down from the Wales Reserve to finance general capital expenditure.

#### Borrowing for capital purposes

**2.9** A decrease of £49,000k reflecting the greater use of conventional capital to fund capital expenditure plans.

#### AME Financing

**2.10** Adjustments to AME financing and expenditure are detailed in Chapter 6.

**Table 2.5 – Summary of the Welsh Government MEG Total Allocations**

2018-19 TOTAL MEG ALLOCATIONS as per SUPPLEMENTARY BUDGET										
£000s										
MAIN EXPENDITURE GROUPS (MEGs)	Resource			Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	7,194,658	191,500	7,386,158	433,037	1,000	434,037	170,000	-	170,000	7,990,195
Housing and Local Government	3,748,620	200	3,748,820	606,184	133,088	739,272	1,074,397	-	1,074,397	5,562,489
Economy and Transport	538,318	150,000	688,318	457,339	131,600	588,939	32,525	-	32,525	1,309,782
Education	1,399,273	371,154	1,770,427	214,589	(186)	214,403	(110,270)	675,134	564,864	2,549,694
International Relations and the Welsh Language	137,098	6,677	143,775	27,670	(899)	26,771	3,013	-	3,013	173,559
Environment, Energy and Rural Affairs	181,390	16,007	197,397	89,554	6,180	95,734	2,400	-	2,400	295,531
Central Services and Administration	328,576	19,890	348,466	21,943	390	22,333	2,938	-	2,938	373,737
<b>TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs</b>	<b>13,527,933</b>	<b>755,428</b>	<b>14,283,361</b>	<b>1,850,316</b>	<b>271,173</b>	<b>2,121,489</b>	<b>1,175,003</b>	<b>675,134</b>	<b>1,850,137</b>	<b>18,254,987</b>

### 3. Transfers between Ministerial Portfolios

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**3.1** This section details the transfers of £1,000k and above which have taken place between MEGs.

#### Fiscal Resource

**3.2** Fiscal resource transfers totalling £19,688k have taken place between MEGs and these include:

- A net transfer of £2,395k to the Central Services and Administration MEG in relation to Invest-to-Save, comprising:
  - A net transfer of £2,070k from Health and Social Services;
  - £1,410k from Housing and Local Government; and
  - £1,085k to Education;
- £5,000k from International Relations and the Welsh Language to Central Services and Administration. This transfer relates to the reallocation of funds to the Central EU Transition Costs BEL in respect of costs to prepare for the UK's exit from the EU ;
- £2,311k from Education to International Relations and the Welsh Language in order to build on activities commenced in 2017-18 to promote the Welsh Language; and
- £1,730k from Housing and Local Government to Central Services and Administration to correctly align the budget for Advocacy Services.

#### General Capital

**3.3** General capital transfers totalling £13,253k have taken place between MEGs and these include:

- £4,000k from Economy and Transport to Central Services and Administration in respect of the purchase of IT equipment;

- £4,000k from Central Services and Administration to Housing and Local Government due to a delayed start on Gypsy Traveller Sites projects. This amount is to be repaid to the Central Services and Administration MEG in 2019-20;
- £2,500k from Housing and Local Government to Economy and Transport in respect of tourism and the 'Attractor Destination' project;  
and
- £1,753k from Housing and Local Government to Health and Social Services in respect of the Integrated Care Fund.

## 4. Transfers within Ministerial Portfolios

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**4.1** In addition to the transfers between Ministerial Portfolios detailed in section 3 above there are a number of transfers between BELs within the same portfolios which are included within the published BEL Tables. These are generally administrative in nature and have no net effect on the individual MEG totals.

### Health and Social Services MEG

**4.2** Multiple resource transfers between BELs have taken place within the Health and Social Services MEG to correctly align the allocations made to Local Health Boards and to fund specific commitments. Included in these transfers were the following movements over £1,000k:

- £100,596k transferred from the Education and Training BEL and £3,860k from the Core NHS Allocations BEL in order to fund the setting up of the new 'Health Education and Improvement Wales' body, for which a new BEL has been created;
- £10,000k transferred from the Core NHS Allocation BEL into the Sustainable Social Services BEL in order to provide additional funding for winter pressures; and
- £1,100k transferred from the Sustainable Social Services BEL to the Social Care Wales BEL to provide additional grant-in-aid to support the body in its work to drive and lead service improvement across the social care sector.

### Housing and Local Government MEG

**4.3** Multiple resource and capital transfers between BELs have taken place within the Housing and Local Government MEG. These comprise:

- £20,651k capital transferred from the Social Housing Grant BEL to the Integrated Care Fund BEL in order to correctly align the health and housing elements of the budget;

- £8,101k capital transferred into the Social Housing Grant BEL comprising:
  - £4,301k from the Extra Care BEL; and
  - £3,800k from the Major Repairs Allowance and Dowry Gap Funding BEL;
- £3,000k resource funding transferred into the Emergency Financial Assistance Scheme BEL in respect of Storm Callum, comprising:
  - £2,400k from the Non Domestic Rates – Rates Relief BEL; and
  - £600k from the Transformation and Legislation BEL; and
- £2,500k capital transferred from the Community Facilities Programme BEL into the new Independent Living BEL in order to provide funding for replacement cladding.

### Economy and Transport MEG

**4.4** Following a mid year review multiple resource and capital transfers between BELs have taken place within the Economy and Transport MEG in order to reprioritise budgets. Included in these are the following capital transfers over £1,000k:

- £25,000k transferred into the New Road Construction and Improvement BEL comprising:
  - £16,000k from the Rail Investment BEL; and
  - £9,000k from the ICT Infrastructure Operations BEL
 These amounts will be repatriated in 2019-20;
- £9,000k financial transaction capital funding transferred from the Business Solutions BEL to the Business Finance (FW) Funds BEL in order to reallocate an anticipated underspend.

### Education MEG

**4.5** Multiple resource transfers between BELs have taken place within the Education MEG in order to reprioritise funding. These comprise:

- £10,000k from the Student Support Grant BEL comprising:

- £9,000k to the Teacher Support Development BEL for Professional Learning in order to support the implementation of the new curriculum; and
- £1,000k to the Food and Nutrition in Schools BEL to cover the additional costs due to the change of Free School Meals eligibility criteria; and
- £1,591k transferred from the Support Digital Learning in Education BEL to the Further Education Provision BEL to support JISC services.

### International Relations and the Welsh Language MEG

**4.6** There were a small number of low value transfers between BELs within the International Relations and the Welsh Language MEG in order to reprioritise budgets.

### Environment, Energy and Rural Affairs MEG

**4.7** Multiple resource and capital transfers between BELs have taken place within the Environment, Energy and Rural Affairs MEG. Included in these transfers were the following movements over £1,000k:

- The merger of budgets and the transfer of £26,444k resource funding and £5,000k capital into the Rural Development Plan 2014-20 BEL in order to effectively maximise EU expenditure. These amounts comprise the following transfers:
  - £15,806k resource from the RDP 2014-20 Agriculture, Environment & Climate Glastir BEL;
  - £6,926k resource from the RDP 2014-20 Human and Social Capital BEL
  - £2,861k resource from the RDP 2014-20 Technical Assistance BEL;
  - £851k resource from the RDP 2014-20 Agriculture, Environment & Climate Glastir Woodland BEL; and
  - £5,000k capital from the RDP 2014-20 Farm Business Grant BEL; and



- £1,600k resource transfer from the Technical Advice Services BEL to the Climate Change Action BEL to provide funding relating to technical assistance for environmental monitoring and modelling framework.

### Central Services and Administration MEG

**4.8** Multiple resource and capital transfers between BELs have taken place within the Central Services and Administration MEG in order to reprioritise funding. These include the following resource movements over £1,000k:

- £4,510k to the Staff Costs BEL;
- £3,145k from the General Administration Expenditure BEL;
- £1,500k from the Welsh Revenue Administration BEL; and
- £2,900k transferred from the Invest to Save BEL to the Enabling Government BEL in respect of ICT transformation.

## 5. Changes to Reserves

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**5.1** In addition to the baseline and portfolio changes detailed in sections 2 and 3, this supplementary budget contains a number of changes to Reserves.

This section details all transfers of £1,000k and above and table 5.1 at the end of the section lists all transfers to and from Reserves.

### Allocations from Fiscal Resource Reserves

**5.2** The following allocations have been made from fiscal resource reserves:

- Health and Social Services:
  - £103,795k to the Core NHS Allocations BEL including:
    - £47,300k in respect of the NHS pay settlement;
    - £24,040k in respect of the Review Body on Doctors and Dentists Remuneration (DDRB) recommendations;
    - £24,000k in respect of Betsi Cadwaladr University Health Board special measures support;
    - £5,422k in respect of the Immigration Health Surcharge (reflecting the transfer from the Home Office); and
    - £3,000k in respect of transitional costs for Abertawe Bro Morgannwg and Cwm Taf University Health Boards;
  - £30,015k to the Other Direct NHS Allocations BEL including:
    - £30,000k in respect of the increase in personal injury claims liability as a result of changes in the discount rate;
  - £4,200k to the Sustainable Social Services BEL including:
    - £4,000k to fund additional winter pressures.

- Economy and Transport
  - £53,300 to the Rail Franchise and Services Improvements BEL comprising:
    - £28,500k early years support for the rail franchise; and
    - £24,800k as a result of the capital to resource switch in respect of the rail franchise access charge adjustment;
  - £5,000k to the Advanced Materials and Manufacture BEL as a result of the capital to resource switch in respect of the Tech Valleys;
  - £4,000k to the Business Solutions BEL in respect of support for the steel industry;
  - £4,000k to the Public Sector Broadband Aggregation BEL to support the transition to a new funding model for PSBA;
  - £1,350k to the Employability and Skills BEL in respect of EU transitional funding (£750k relating to Airbus and £600k relating to Ford);
  
- Education:
  - £15,569k to the Teacher Development and Support BEL comprising:
    - £8,069k to fund the additional costs of the teachers' pay award for nursery to year 11; and
    - £7,500k to help local authorities meet education cost pressures including the teachers' pay award;
  - £4,000k to the Food Nutrition in Schools BEL to provide transitional protection for Free School Meals due to the change in eligibility criteria;
  - £3,700k to the School Improvement Grant BEL to support minority, ethnic, Gypsy, Roma and Traveller learners; and
  - £3,400k to the Offender Learning BEL in respect of HMP Berwyn (reflecting the transfer from the Ministry of Justice).

- Environment, Energy and Rural Affairs:
  - £1,790k to the Agriculture Strategy BEL in respect of EU transitional funding for red meat benchmarking.
  
- Central Services and Administration:
  - £12,500k to the General Administration Expenditure BEL comprising:
    - £9,500k to support the re-shaping of the workforce; and
    - £3,000k underspend from 2017-18 brought forward;
  - £5,400k to the Devolved Taxes BEL in respect of the Welsh Rate of Income Tax implementation costs;
  - £5,100k to the Central EU Transition Costs BEL in respect of the additional staff requirements;
  - £3,807k to the Managing EU Funds BEL in respect of EU structural funds; and
  - £1,400k to the National Procurement Services BEL in respect of running costs.
  
- A number of fiscal resource transfers from Reserves totalling £6,303k and relating to EU transitional funds were allocated to portfolios in this Supplementary Budget. Details of these transfers can be found in table 5.1 below.

### Transfers to Fiscal Resource Reserves

**5.3** The following transfers have been made to fiscal resource reserves:

- Health and Social Services:
  - £(64,505)k in respect of resource to capital switches comprising:
    - £(42,505)k from the Research and Development BEL regarding the reclassification of R&D expenditure;
    - £(12,000)k from the Core NHS Allocations in respect of NHS contingency plans for the UK's exit from the EU; and

- £(10,000)k from the Core NHS Allocations BEL in respect of additional capital funding to assist the NHS with digital transformation plans.
- Economy and Transport:
  - £(24,800)k from the Rail Franchise and Services Improvements BEL to cover the Budget Cover Transfer (BCT) paid to the Department for Transport (DfT) in respect of the Rail Franchise access charge adjustment; and
  - £(7,700) in respect of resource to capital switches comprising:
    - £(4,800)k from the Advanced Materials and Manufacture BEL; and
    - £(2,900) from the ICT BEL.
- Environment, Energy and Rural Affairs:
  - £(5,310)k from the Natural Resources Wales BEL in respect of windfarm income.

#### Allocations from Non Fiscal Resource Reserves

**5.4** The following allocations have been made from non fiscal resource reserves:

- Health and Social Services:
  - £1,500k to the Core NHS Allocations BEL in respect of additional non fiscal requirement.
- Education:
  - £264,000k to the Student Loans Resource Budget Provision BEL in respect of additional non fiscal requirement comprising:
    - £240,000k to meet the increased RAB and stock charges applied to Student Loans primarily as a result of the increase in the repayment threshold; and

- £24,000 for the partial cancellation policy in respect of Student Loans.
- Environment, Energy and Rural Affairs:
  - £2,776k to the Single Payment Scheme Administration BEL in respect of additional non fiscal requirement.
- Central Services and Administration
  - £3,000k to the General Administration Expenditure BEL in respect of additional non fiscal requirement for depreciation and impairment of assets.

### Transfers to Non Fiscal Resource Reserves

**5.5** The following transfer has been made to non fiscal resource reserves:

- Economy and Transport:
  - £(40,000)k from the Network Operations Non Cash BEL in respect of the roads network condition depreciation adjustment.

### Allocations from General Capital Reserves

**5.6** The following allocations made from general capital reserves include the regularisation of previous announcements:

- Health and Social Services
  - £64,505k in respect of resource to capital switches comprising:
    - £42,505k to the Research and Development BEL regarding the reclassification of R&D expenditure;
    - £12,000k to the Core NHS Allocations BEL to facilitate capital expenditure for the health service; and
    - £10,000k to the Core NHS Allocations BEL in respect of additional capital funding to assist the NHS with digital transformation plans; and

- £2,200k to the Core NHS Allocations BEL to assist Cardiff and Vale University Health Board in the purchase of the Tesco House site.
  
- Housing and Local Government:
  - £70,000k to the Local Government General Capital Funding BEL comprising:
    - £50,000k in respect of the first instalment of a 3 year £100m capital package for local authorities; and
    - £20,000k in respect of the first instalment of a 3 year £60m allocation to the public highways refurbishment grant.
 (Both allocations were announced in the 2019-20 Draft Budget);
  - £10,000k to the Help to Buy Wales Fund and Other Schemes BEL in respect of the Wales Self Build Fund;
  - £3,000k to the Emergency Financial Assistance Scheme BEL in respect of storm Callum; and
  - £3,000k to the Waste BEL in respect of the Collaborative Change Programme.
  
- Economy and Transport:
  - £27,800k to the New Road Construction and Improvement BEL for completion of the statutory process and essential activities such as environmental surveys in respect of the M4;
  - £26,000k to the Local Transport Priorities BEL in respect of the Local Transport Fund (as announced in the 2019-20 Draft Budget);
  - £20,000k to the Business Finance (FW) Funds BEL comprising:
    - £10,000k relating to property development; and
    - £10,000k relating to New Funds Tourism;
  - £12,666k to the Business Solutions BEL in support of the steel industry;

- £7,700k to the Advanced Materials and Manufacture BEL in respect of resource to capital switches comprising:
  - £4,800k within the Advanced Materials and Manufacture BEL; and
  - £2,900k from the ICT BEL; and
- £7,220k to the Property Infrastructure BEL in respect of a switch from financial transaction capital to general capital.
- In addition to the general capital transfers over £1,000k listed above £198k relating to EU transitional funds was also allocated to the Economy and Transport MEG in this Supplementary Budget. Details of this transfer can be found in table 5.1 below.
- International Relations and the Welsh Language:
  - £5,000k to the Sports Wales programme costs BEL in respect of additional sports facilities.

### Transfers to General Capital Reserves

**5.7** The following transfers have been made to general capital reserves:

- Economy and Transport:
  - £(29,800)k capital to resource switches comprising:
    - £(24,800)k from the Rail Investment BEL in respect of the rail franchise access charge adjustment; and
    - £(5,000)k from the Advanced Materials and Manufacture BEL in respect of Tech Valleys.

### Allocations from Financial Transaction Capital Reserves

**5.8** The following allocations have been made from financial transaction capital reserves:

- Housing and Local Government:
  - £30,000k to the Help to Buy Wales Fund and Other Schemes BEL in respect of the Wales Self Build Fund; and



- £4,000k to the Regeneration BEL in respect of Town Centre Regeneration.
- Economy and Transport:
  - £92,000k to the Business Finance (FW) Funds comprising:
    - £40,000k in respect of Property Development;
    - £40,000k in respect of New Funds Tourism;
    - £10,000k in respect of the Rescue and Restructure Fund; and
    - £2,000k in respect of the Wales Micro Business Loan Fund.

### Transfers to Financial Transaction Capital Reserves

**5.9** The following transfers have been made to financial transaction capital reserves:

- Economy and Transport:
  - £(7,220)k from the Property Infrastructure BEL in respect of a switch from financial transaction capital to general capital; and
  - £(1,100)k from the ICT BEL in respect of a repayment regarding General Dynamics.

Table 5.1 below reflects all the movements on Reserves:

**Table 5.1 - Changes to the 2018-19 Reserves since First Supplementary Budget and the Movements on Reserves in this Supplementary Budget**

	£000s						
	Fiscal Resource	Non-Fiscal Resource	Total Resource	General Capital	Financial Transaction Capital	Total Capital	Total
<b>Reserves at First Supplementary Budget</b>	<b>129,391</b>	<b>138,407</b>	<b>267,798</b>	<b>126,380</b>	<b>127,095</b>	<b>253,475</b>	<b>521,273</b>
Adjustments to Sources of Finance	74,632	240,000	<b>314,632</b>	104,976	0	<b>104,976</b>	<b>419,608</b>
<b>Revised Reserves</b>	<b>204,023</b>	<b>378,407</b>	<b>582,430</b>	<b>231,356</b>	<b>127,095</b>	<b>358,451</b>	<b>940,881</b>
<b>Changes:</b>							
<b>HEALTH &amp; SOCIAL SERVICES</b>							
NHS Pay settlement	(47,300)	-	<b>(47,300)</b>	-	-	-	<b>(47,300)</b>
DDRB recommendations	(24,040)	-	<b>(24,040)</b>	-	-	-	<b>(24,040)</b>
Betsi Cadwaladr University Health Board special measures support	(24,000)	-	<b>(24,000)</b>	-	-	-	<b>(24,000)</b>
Immigration Health Surcharge	(5,422)	-	<b>(5,422)</b>	-	-	-	<b>(5,422)</b>
Transitional costs for Abertawe Bro Morgannwg and Cwm Taf University Health Boards	(3,000)	-	<b>(3,000)</b>	-	-	-	<b>(3,000)</b>
Air Ambulance Service	(33)	-	<b>(33)</b>	-	-	-	<b>(33)</b>
Increase in personal injury claims liability as a result of changes in discount rate	(30,000)	-	<b>(30,000)</b>	-	-	-	<b>(30,000)</b>

EU transitional funding - NHS	(15)	-	(15)	-	-	-	(15)
Social Services additional winter pressures	(4,000)	-	(4,000)	-	-	-	(4,000)
EU transitional funding - Social Services	(200)	-	(200)	-	-	-	(200)
Mental Health pilot project to trial support for individuals with mild to moderate health conditions	(370)	-	(370)	-	-	-	(370)
EU transition funding – Food Standards Agency	(153)	-	(153)	-	-	-	(153)
EU transition funding – Public Health Wales	(20)	-	(20)	-	-	-	(20)
EU transition funding – Support for Children’s Rights	(10)	-	(100)	-	-	-	(10)
Resource to capital switch in respect of Research and Development	42,505	-	42,505	(42,505)	-	(42,505)	-
Resource to capital switch to facilitate capital expenditure for the health service	12,000	-	12,000	(12,000)	-	(12,000)	-
Resource to capital switch in respect of NHS digital transformation	10,000	-	10,000	(10,000)	-	(10,000)	-
Additional non fiscal requirement in respect of the Health Service	-	(1,500)	(1,500)	-	-	-	(1,500)
To facilitate the purchase of the Tesco House site	-	-	-	(2,200)	-	(2,200)	(2,200)
<b>HEALTH &amp; SOCIAL SERVICES</b>	<b>(74,058)</b>	<b>(1,500)</b>	<b>(75,558)</b>	<b>(66,705)</b>	<b>-</b>	<b>(66,705)</b>	<b>(142,263)</b>

<b>HOUSING &amp; LOCAL GOVERNMENT</b>							
National Parks	(498)	-	(498)	-	-	-	(498)
EU transitional funding –Police partnership resilience	(435)	-	(435)	-	-	-	(435)
EU transitional funding – Welsh Local Government Association	(150)	-	(150)	-	-	-	(150)
Support to improve village halls and miners’ welfare halls through the coalfields regeneration trust	(60)	-	(60)	-	-	-	(60)
Reduction in Estyn’s non fiscal requirement	-	200	200	-	-	-	200
Local Authority General Capital Fund	-	-	-	(50,000)	-	(50,000)	(50,000)
Public Highways Refurbishment Grant	-	-	-	(20,000)	-	(20,000)	(20,000)
Wales Self Build Fund	-	-	-	(10,000)	(30,000)	(40,000)	(40,000)
Storm Callum	-	-	-	(3,000)	-	(3,000)	(3,000)
Collaborative Change Programme	-	-	-	(3,000)	-	(3,000)	(3,000)
Replacement cladding	-	-	-	(500)	-	(500)	(500)
Town Centre Regeneration	-	-	-	-	(4,000)	(4,000)	(4,000)
Repayments in respect of the Help to Buy Scheme	-	-	-	-	160	160	160
<b>HOUSING &amp; LOCAL GOVERNMENT</b>	<b>(1,143)</b>	<b>200</b>	<b>(943)</b>	<b>(86,500)</b>	<b>(33,840)</b>	<b>(120,340)</b>	<b>(121,283)</b>

ECONOMY & TRANSPORT							
Early years support for the rail franchise	(28,500)	-	(28,500)	-	-	-	(28,500)
Capital to resource switch in respect of the rail franchise access charge adjustment	(24,800)	-	(24,800)	24,800	-	24,800	-
Capital to resource switch in respect of the Tech Valleys	(5,000)	-	(5,000)	5,000	-	5,000	-
Support for the steel industry	(4,000)	-	(4,000)	(12,666)	-	(12,666)	(16,666)
Support for the transition to a new funding model for the Public Sector Broadband Aggregation	(4,000)	-	(4,000)	-	-	-	(4,000)
3 <sup>rd</sup> Menai crossing feasibility study	(777)	-	(777)	-	-	-	(777)
EU transition funding – Airbus	(750)	-	(750)	-	-	-	(750)
EU transition funding – Ford	(600)	-	(600)	-	-	-	(600)
EU transitional funding – Business resilience	(132)	-	(132)	(198)	-	(198)	(330)
EU transitional funding – Collective Capacity Building	(50)	-	(50)	-	-	-	(50)
Cover for the BCT paid to the DfT in respect of the Rail Franchise access charge adjustment	24,800	-	24,800	-	-	-	24,800
Resource to capital switch – R&D	4,800	-	4,800	(4,800)	-	(4,800)	-
Resource to capital switch – R&D	2,900	-	2,900	(2,900)	-	(2,900)	-

Roads network condition depreciation adjustment	-	40,000	<b>40,000</b>	-	-	-	<b>(40,000)</b>
M4 in year requirements	-	-	-	(27,800)	-	<b>(27,800)</b>	<b>(27,800)</b>
Local Transport Fund	-	-	-	(26,000)	-	<b>(26,000)</b>	<b>(26,000)</b>
New Funds Tourism	-	-	-	(10,000)	(40,000)	<b>(50,000)</b>	<b>(50,000)</b>
Property Development	-	-	-	(10,000)	(40,000)	<b>(50,000)</b>	<b>(50,000)</b>
Financial Transaction to General Capital switch in respect of Property Infrastructure	-	-	-	(7,220)	7,220	-	-
Rescue and Restructure Fund	-	-	-	-	(10,000)	<b>(10,000)</b>	<b>(10,000)</b>
Wales Micro Business Loan Fund	-	-	-	-	(2,000)	<b>(2,000)</b>	<b>(2,000)</b>
Repayment in respect of General Dynamics	-	-	-	-	1,100	<b>1,100</b>	<b>1,100</b>
<b>ECONOMY &amp; TRANSPORT</b>	<b>(36,109)</b>	<b>40,000</b>	<b>3,891</b>	<b>(71,784)</b>	<b>(83,680)</b>	<b>(155,464)</b>	<b>(151,573)</b>
<b>EDUCATION</b>							
Teachers' pay award for nursery to year 11	(8,069)	-	<b>(8,069)</b>	-	-	-	<b>(8,069)</b>
Support to local authorities to meet education cost pressures (including teachers' pay award)	(7,500)	-	<b>(7,500)</b>	-	-	-	<b>(7,500)</b>
Transitional protection for Free School Meals due to the change in eligibility criteria	(4,000)	-	<b>(4,000)</b>	-	-	-	<b>(4,000)</b>

Support for minority, ethnic, Gypsy, Roma and Traveller learners	(3,700)	-	(3,700)	-	-	-	(3,700)
Offender learning in respect of HMP Berwyn	(3,400)	-	(3,400)	-	-	-	(3,400)
EU transition funding – Global II	(787)	-	(787)	-	-	-	(787)
Additional costs of the teachers' pay award in respect of school sixth forms	(631)	-	(631)	-	-	-	(631)
Further enhance support for music activities for young people	(500)	-	(500)	-	-	-	(500)
To meet the increased RAB and Stock charges of student loans	-	(240,000)	(240,000)	-	-	-	(240,000)
Student Loans partial cancellation policy	-	(24,000)	(24,000)	-	-	-	(24,000)
Qualifications Wales QiW database	-	(115)	(115)	-	-	-	(115)
Transfer from BEIS in respect of 'GovTech' competition winners in Wales	-	-	-	(500)	-	(500)	(500)
Capital repayment in respect of Coleg y Cymoedd – Aberdare Campus	-	-	-	-	186	186	186
<b>EDUCATION</b>	<b>(28,587)</b>	<b>(264,115)</b>	<b>(292,702)</b>	<b>(500)</b>	<b>186</b>	<b>(314)</b>	<b>(293,016)</b>

<b>INTERNATIONAL TRADE &amp; THE WELSH LANGUAGE</b>							
Business Confidence and Brexit resilience campaign	(300)	-	(300)	-	-	-	(300)
EU transitional funding – Export on line support	(280)	-	(280)	-	-	-	(280)
EU transitional funding – Enhanced export services	(250)	-	(250)	-	-	-	(250)
EU transitional funding – Trade intelligence and non EU market scoping	(100)	-	(100)	-	-	-	(100)
Funding for the Lloyd George Museum received from the Dept for Culture, Media and Sport	(27)	-	(27)	-	-	-	(27)
Sports facilities	-	-	-	(5,000)	-	(5,000)	(5,000)
Sports facilities loan capital repayment	-	-	-	-	899	899	899
<b>INTERNATIONAL TRADE &amp; THE WELSH LANGUAGE</b>	<b>(957)</b>	<b>-</b>	<b>(957)</b>	<b>(5,000)</b>	<b>899</b>	<b>(4,101)</b>	<b>(5,058)</b>
<b>ENVIRONMENT, ECONOMY &amp; RURAL AFFAIRS</b>							
EU transitional funding – red meat benchmarking	(1,790)	-	(1,790)	-	-	-	(1,790)
Natural Resource Wales pay consolidation	(700)	-	(700)	-	-	-	(700)
EU transitional funding – Import substitution	(100)	-	(100)	-	-	-	(100)
EU transitional funding – Export health certificates	(96)	-	(96)	-	-	-	(96)



EU transitional funding – Welsh fisheries and aquaculture sectors	(90)	-	(90)	-	-	-	(90)
Transformation of the Government Fisheries Management Scheme for Brexit	(70)	-	(70)	-	-	-	(70)
Welsh Government Fisheries evidence requirements	(70)	-	(70)	-	-	-	(70)
Windfarm income	5,310	-	5,310	-	-	-	5,310
Single Payment Scheme Administration	-	(2,776)	(2,776)	-	-	-	(2,776)
Marine and Fisheries	-	(155)	(155)	-	-	-	(155)
TB eradication	-	10	10	-	-	-	10
<b>ENVIRONMENT, ECONOMY &amp; RURAL AFFAIRS</b>	<b>2,394</b>	<b>(2,921)</b>	<b>(527)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(527)</b>
<b>CENTRAL SERVICES &amp; ADMINISTRATION</b>							
Reshaping The workforce	(9,500)	-	(9,500)	-	-	-	(9,500)
Welsh Rate of Income Tax implementation costs	(5,400)	-	(5,400)	-	-	-	(5,400)
Additional staff requirements in respect of EU transition	(5,100)	-	(5,100)	-	-	-	(5,100)
EU Structural funds	(3,000)	-	(3,000)	-	-	-	(3,000)
General administration underspend from 2017-18 brought forward	(3,000)	-	(3,000)	-	-	-	(3,000)
National Procurement Services Running Costs	(1,400)	-	(1,400)	-	-	-	(1,400)

Funding from HMT in respect of Tampon Tax receipts	(813)	-	(813)	-	-	-	(813)
EU Structural funds	(807)	-	(807)	-	-	-	(807)
Cyber resilience funding	(554)	-	(554)	-	-	-	(554)
Projects to better manage public assets	(500)	-	(500)	-	-	-	(500)
Investigations	(300)	-	(300)	-	-	-	(300)
100 <sup>th</sup> anniversary of women's right to vote	(250)	-	(250)	-	-	-	(250)
EU transition funding – Organisation for Economic Co-operations and Development	(150)	-	(150)	-	-	-	(150)
EU Citizens Rights Project	(100)	-	(100)	-	-	-	(100)
EU transitional funding – Empowering communities in the context of Brexit	(45)	-	(45)	-	-	-	(45)
Depreciation and impairment of Welsh Government assets	-	(3,000)	(3,000)	-	-	-	(3,000)
Non fiscal requirement for the Wales Revenue Authority	-	(890)	(890)	-	-	-	(890)
Accommodation for Looked After Children	-	-	-	-	(390)	(390)	(390)
<b>CENTRAL SERVICES &amp; ADMINISTRATION</b>	<b>(30,919)</b>	<b>(3,890)</b>	<b>(34,809)</b>	<b>-</b>	<b>(390)</b>	<b>(390)</b>	<b>(35,199)</b>

<b>OTHER CHANGES AFFECTING RESERVES</b>							
Assembly Commission reduction in fiscal requirement	500	-	500	-	-	-	500
Public Services Ombudsman resource to capital switch	204	-	204	(204)	-	(204)	-
A decrease in Direct Charges	36	-	36	-	-	-	36
<b>Reserves in this Budget</b>	<b>35,384</b>	<b>146,181</b>	<b>181,565</b>	<b>663</b>	<b>10,270</b>	<b>10,933</b>	<b>192,498</b>

## 6. Adjustments to Annually Managed Expenditure (AME) Budgets

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- 6.1** AME budgets detailed in this supplementary budget reflect the latest forecasts provided to HM Treasury. Adjustments made since the first supplementary budget was approved comprise:
- An increase of £53,000k in the Health and Social Services AME budget to reflect the latest forecasts for impairments and provisions relating to the NHS in Wales;
  - A decrease in the Housing and Local Government AME budget of £2,025k to reflect the latest forecasts for the fire service pensions;
  - A net decrease of £3,094k in the Economy and Transport AME budget in respect of the latest forecasts comprising:
    - An increase of £3,000k in the pension provision for Careers Wales; and
    - A decrease of £6,094k in respect of impairments for the roads network;
  - A net increase of £12,282k in the Education AME budget to reflect the latest Student Loans forecasts comprising:
    - A decrease in Resource AME of £1,036k; and
    - An increase in Capital AME of £13,318k; and
  - A decrease of £1k in the Central Services and Administration MEG in respect of the latest forecasts for pension provisions.

Table 6.1 below sets out the net impact of all the AME changes listed above.

**Table 6.1 – Changes to the Welsh Government MEG AME Allocations**

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	RESOURCE			CAPITAL		
	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019	2018-19 Supplementary Budget June 2018	2018-19 Changes	2018-19 Supplementary Budget New Plans February 2019
Health and Social Services	117,000	53,000	<b>170,000</b>	0	0	<b>0</b>
Housing and Local Government	1,076,422	(2,025)	<b>1,074,397</b>	0	0	<b>0</b>
Economy and Transport	35,619	(3,094)	<b>32,525</b>	0	0	<b>0</b>
Education	(109,234)	(1,036)	<b>(110,270)</b>	661,816	13,318	<b>675,134</b>
International Relations and the Welsh Language	3,013	0	<b>3,013</b>	0	0	<b>0</b>
Environment, Energy and Rural Affairs	2,400	0	<b>2,400</b>	0	0	<b>0</b>
Central Services and Administration	2,939	(1)	<b>2,938</b>	0	0	<b>0</b>
<b>Total Allocation to Welsh Government</b>	<b>1,128,159</b>	<b>46,844</b>	<b>1,175,003</b>	<b>661,816</b>	<b>13,318</b>	<b>675,134</b>

## **Annex 1 – Restatement of the First Supplementary Budget**

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This annex shows the movements between MEGs and provides a restatement of the first supplementary budget reflecting the changes in ministerial portfolios announced on 13<sup>th</sup> December 2018.

**2018-19**  
**First Supplementary Budget Allocations Prior to Changes in Ministerial Responsibilities**

£000s

MAIN EXPENDITURE GROUPS (MEGs)	Resource			Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	7,124,209	190,000	<b>7,314,209</b>	363,663	1,000	<b>364,663</b>	117,000	-	<b>117,000</b>	<b>7,795,872</b>
Local Government and Public Services	3,719,010	400	<b>3,719,410</b>	510,037	99,248	<b>609,285</b>	1,076,422	-	<b>1,076,422</b>	<b>5,405,117</b>
Economy and Transport	458,948	196,677	<b>655,625</b>	419,959	47,920	<b>467,879</b>	26,632	-	<b>26,632</b>	<b>1,150,136</b>
Education	,541,631	107,039	<b>1,648,670</b>	203,627	-	<b>203,627</b>	(97,234)	661,816	<b>564,582</b>	<b>2,416,879</b>
Energy, Planning and Rural Affairs	232,734	3,086	<b>245,820</b>	99,454	6,180	<b>105,634</b>	2,400	-	<b>2,400</b>	<b>353,854</b>
Central Services and Administration	282,022	16,000	<b>298,022</b>	23,087	-	<b>23,087</b>	2,939	-	<b>2,939</b>	<b>324,048</b>
<b>TOTAL ALLOCATIONS TO WG MEGs</b>	<b>13,358,554</b>	<b>523,202</b>	<b>13,881,756</b>	<b>1,619,827</b>	<b>154,348</b>	<b>1,774,175</b>	<b>1,128,159</b>	<b>661,816</b>	<b>1,789,975</b>	<b>17,445,906</b>

**2018-19**  
**First Supplementary Budget Allocations Following Changes in Ministerial Responsibilities**

£000s

MAIN EXPENDITURE GROUPS (MEGs)	Resource		Resource Total	Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal		General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	7,124,091	190,000	<b>7,314,091</b>	363,663	1,000	<b>364,663</b>	117,000	-	<b>117,000</b>	<b>7,795,754</b>
Housing and Local Government	3,749,986	400	<b>3,750,386</b>	519,937	99,248	<b>619,185</b>	1,076,422	-	<b>1,076,422</b>	<b>5,445,993</b>
Economy and Transport	501,717	190,000	<b>691,717</b>	389,405	47,920	<b>437,325</b>	35,619	-	<b>35,619</b>	<b>1,164,661</b>
Education	1,373,783	107,039	<b>1,480,822</b>	214,089	-	<b>214,089</b>	(109,234)	661,816	<b>552,582</b>	<b>2,247,493</b>
International Relations and the Welsh Language	138,870	6,677	<b>145,547</b>	20,092	-	<b>20,092</b>	3,013	-	<b>3,013</b>	<b>168,652</b>
Environment, Energy and Rural Affairs	183,784	13,086	<b>196,870</b>	89,554	6,180	<b>95,734</b>	2,400	-	<b>2,400</b>	<b>295,004</b>
Central Services and Administration	286,323	16,000	<b>302,323</b>	23,087	-	<b>23,087</b>	2,939	-	<b>2,939</b>	<b>328,349</b>
<b>TOTAL ALLOCATIONS TO WG MEGs</b>	<b>13,358,554</b>	<b>523,202</b>	<b>13,881,756</b>	<b>1,619,827</b>	<b>154,348</b>	<b>1,774,175</b>	<b>1,128,159</b>	<b>661,816</b>	<b>1,789,975</b>	<b>17,445,906</b>



<b>MOVEMENTS</b>										
<b>£000s</b>										
<b>MAIN EXPENDITURE GROUPS (MEGs)</b>	<b>Resource</b>			<b>Capital</b>			<b>AME</b>			<b>TOTAL MEG ALLOCATION</b>
	<b>Fiscal</b>	<b>Non Fiscal</b>	<b>Resource Total</b>	<b>General</b>	<b>Financial Transactions</b>	<b>Capital Total</b>	<b>Resource</b>	<b>Capital</b>	<b>AME Total</b>	
Health and Social Services	(118)	-	(118)	-	-	-	-	-	-	(118)
Housing and Local Government	30,976	-	30,976	9,900	-	9,900	-	-	-	40,876
Economy and Transport	42,769	(6,677)	36,092	(30,554)	-	(30,554)	8,987	-	8,987	14,525
Education	(167,848)	-	(167,848)	10,462	-	10,462	(12,000)	-	(12,000)	(169,386)
International Relations and the Welsh Language	138,870	6,677	145,547	20,092	-	20,092	3,013	-	3,013	168,652
Environment, Energy and Rural Affairs	(48,950)	-	(48,950)	(9,900)	-	(9,900)	-	-	-	(58,850)
Central Services and Administration	4,301	-	4,301	-	-	-	-	-	-	4,301
<b>NET MOVEMENT</b>	-	-	-	-	-	-	-	-	-	-

Note: Unless annotated the movements listed below reflect the transfer of BELs between MEGs

HEALTH and SOCIAL SERVICES (H&SS)												
£000s												
Movement	From / To	BEL	Resource			Capital			AME			TOTAL
			Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
<b>Health and Social Services Allocation</b>			7,124,209	190,000	7,314,209	363,663	1,000	364,663	117,000	-	117,000	7,795,872
Transferred out:	H&LG	Support for Families and Children <small>Note 1</small>	(118)	-	(118)	-	-	-	-	-	-	(118)
<b>Restated Health and Social Services Allocation</b>			7,124,091	190,000	7,314,091	363,663	1,000	364,663	117,000	-	117,000	7,795,754

**NOTE** 1 £118k in respect of Child Poverty deducted from the 'Support for Families and Children' BEL which remains in the H&SS MEG

HOUSING and LOCAL GOVERNMENT (H&LG)												
£000s												
Movement	From / To	BEL	Resource			Capital			AME			TOTAL
			Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
<b>Local Government and Public Services Allocation</b>			<b>3,719,010</b>	<b>400</b>	<b>3,719,410</b>	<b>510,037</b>	<b>99,248</b>	<b>609,285</b>	<b>1,076,422</b>	<b>-</b>	<b>1,076,422</b>	<b>5,405,117</b>
Transferred in:	H&SS	Supporting Communities Note 1	118	-	118	-	-	-	-	-	-	118
	E&T	Digital Inclusion	1,250	-	1,250	-	-	-	-	-	-	1,250
	EE&RA	Waste	34,082	-	34,082	9,000	-	9,000	-	-	-	43,082
	EE&RA	Waste Note 2	200	-	200	-	-	-	-	-	-	200
	EE&RA	National Parks	9,468	-	9,468	-	-	-	-	-	-	9,468
	EE&RA	National Parks Note 3	-	-	-	900	-	900	-	-	-	900
	EE&RA	Planning and Regulations Expenditure	5,200	-	5,200	-	-	-	-	-	-	5,200

Transferred out:	E&T	Supporting Communities Note 4	(3,972)	-	(3,972)	-	-	-	-	-	-	(3,972)
	E&T	Valleys Task Force	(100)	-	(100)	-	-	-	-	-	-	(100)
	CS&A	Financial Inclusion Note 5	(4,725)	-	(4,725)	-	-	-	-	-	-	(4,725)
	CS&A	Youth Justice Services	(4,420)	-	(4,420)	-	-	-	-	-	-	(4,420)
	CS&A	Support for the Voluntary Sector and Volunteering	(6,125)	-	(6,125)	-	-	-	-	-	-	(6,125)
<b>Restated Housing and Local Government Allocation</b>			<b>3,749,986</b>	<b>400</b>	<b>3,750,386</b>	<b>519,937</b>	<b>99,248</b>	<b>619,185</b>	<b>1,076,422</b>	<b>-</b>	<b>1,076,422</b>	<b>5,445,993</b>

- NOTES**
- 1 £118k from the H&SS MEG in respect of Child Poverty transferred into the existing 'Supporting Communities' BEL
  - 2 £200k from the EE&RA MEG in respect of Fly tipping transferred into the existing 'Waste' BEL
  - 3 £900k from the EE&RA MEG in respect of the Coastal Path transferred into the existing 'National Parks' BEL
  - 4 £3,972k in respect of Communities for Work deducted from the 'Supporting Communities' BEL which remains in the H&LG MEG
  - 5 £4,725k in respect of Advocacy deducted from the 'Financial Inclusion' BEL which remains in the H&LG MEG

ECONOMY and TRANSPORT (E&T)												
£000s												
Movement	From / To	BEL	Resource			Capital			AME			TOTAL
			Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
<b>Economy and Transport Allocation</b>			<b>458,948</b>	<b>196,677</b>	<b>655,625</b>	<b>419,959</b>	<b>47,920</b>	<b>467,879</b>	<b>26,632</b>	<b>-</b>	<b>26,632</b>	<b>1,150,136</b>
Transferred in:	H&LG	Communities for Work <small>Note 1</small>	3,972	-	<b>3,972</b>	-	-	-	-	-	-	<b>3,972</b>
	H&LG	Valleys Task Force	100	-	<b>100</b>	-	-	-	-	-	-	<b>100</b>
	Educ	Work Based Learning	115,709	-	<b>115,709</b>	-	-	-	-	-	-	<b>115,709</b>
	Educ	Marketing Skills	648	-	<b>648</b>	-	-	-	-	-	-	<b>648</b>
	Educ	Skills Policy Engagement	1,061	-	<b>1,061</b>	-	-	-	-	-	-	<b>1,061</b>
	Educ	Employability and Skills	28,498	-	<b>28,498</b>	-	-	-	-	-	-	<b>28,498</b>
	Educ	Careers Wales	18,800	-	<b>18,800</b>	-	-	-	12,000	-	<b>12,000</b>	<b>30,800</b>
Transferred out:	H&LG	Digital Inclusion	(1,250)	-	<b>(1,250)</b>	-	-	-	-	-	-	<b>(1,250)</b>
	Educ	Business Innovation	-	-	-	(1,254)	-	<b>(1,254)</b>	-	-	-	<b>(1,254)</b>
	Educ	Innovation Centres and R&D Facilities	-	-	-	(945)	-	<b>(945)</b>	-	-	-	<b>(945)</b>
	Educ	Academia and Business Collab	(859)	-	<b>(859)</b>	(1,612)	-	<b>(1,612)</b>	-	-	-	<b>(2,471)</b>

Transferred out:	Educ	Science	(773)	-	(773)	(4,561)	-	(4,561)	-	-	-	(5,334)
	Educ	Life Sciences	(2,200)	-	(2,200)	(2,090)	-	(2,090)	-	-	-	(4,290)
	IR&WL	Trade and Inward Investment	(1,892)	-	(1,892)	-	-	-	-	-	-	(1,892)
	IR&WL	Creative	(1,636)	-	(1,636)	(7,662)	-	(7,662)	-	-	-	(9,298)
	IR&WL	Tourism	(13,762)	-	(13,762)	(2,000)	-	(2,000)	-	-	-	(15,762)
	IR&WL	Major Events Unit	(3,918)	-	(3,918)	-	-	-	-	-	-	(3,918)
	IR&WL	Arts Council of Wales	(31,227)	(119)	(31,346)	(355)	-	(355)	-	-	-	(31,701)
	IR&WL	Support for the Arts	(45)	-	(45)	-	-	-	-	-	-	(45)
	IR&WL	Amgeuddfa Cymru - National Museums of Wales	(21,563)	(1,120)	(22,683)	(357)	-	(357)	-	-	-	(23,040)
	IR&WL	National Library of Wales	(9,585)	(1,250)	(10,835)	(3,280)	-	(3,280)	-	-	-	(14,115)
	IR&WL	Strategic Leadership for Museum, Archive and Library Services	(2,015)	-	(2,015)	(1,430)	-	(1,430)	-	-	-	(3,445)
	IR&WL	Welsh Books Council	(3,649)	-	(3,649)	(30)	-	(30)	-	-	-	(3,679)
	IR&WL	Cadw	(7,608)	(3,275)	(10,883)	(4,538)	-	(4,538)	-	-	-	(15,421)
	IR&WL	National Botanic Garden of Wales	(581)	-	(581)	(95)	-	(95)	-	-	-	(676)

Transferred out:	IR&WL	Royal Commission on the Ancient and Historic Monuments for Wales	(1,531)	(134)	(1,665)	(15)	-	(15)	-	-	-	(1,680)
	IR&WL	Sports Wales	(2,106)	-	(2,106)	-	-	-	-	-	-	(2,106)
	IR&WL	Sports Wales Programme Costs	(19,207)	(779)	(19,986)	(330)	-	(330)	-	-	-	(20,316)
	IR&WL	Support for Sport	(252)	-	(252)	-	-	-	-	-	-	(252)
	IR&WL	Amgeuddfa Cymru - National Museums of Wales Pension Provision – AME	-	-	-	-	-	-	(2,391)	-	(2,391)	(2,391)
	IR&WL	National Library of Wales Pension Provision – AME	-	-	-	-	-	-	(622)	-	(622)	(622)
	CS&A	Entrepreneurship Delivery Start Up & Business Wales Note 2	(360)	-	(360)	-	-	-	-	-	-	(360)
<b>Restated Economy and Transport Allocation</b>			<b>501,717</b>	<b>190,000</b>	<b>691,717</b>	<b>389,405</b>	<b>47,920</b>	<b>437,325</b>	<b>35,619</b>	<b>-</b>	<b>35,619</b>	<b>1,164,661</b>

- NOTES**
- 1 £3,972k from the H&LG MEG in respect of Communities for Work transferred into the new 'Communities for Work' BEL
  - 2 £360k in respect of Chwarae Teg deducted from the 'Entrepreneurship Delivery Start Up & Business Wales' BEL which remains in the E&T MEG

EDUCATION (Educ)												
£000s												
Movement	From / To	BEL	Resource			Capital			AME			TOTAL
			Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
<b>Education Allocation</b>			<b>1,541,631</b>	<b>107,039</b>	<b>1,648,670</b>	<b>203,627</b>	-	<b>203,627</b>	<b>(97,234)</b>	<b>661,816</b>	<b>564,582</b>	<b>2,416,879</b>
Transferred in:	E&T	Business Innovation	-	-	-	1,254	-	<b>1,254</b>	-	-	-	<b>1,254</b>
	E&T	Innovation Centres and R&D Facilities	-	-	-	945	-	<b>945</b>	-	-	-	<b>945</b>
	E&T	Academia and Business Collaboration	859	-	<b>859</b>	1,612	-	<b>1,612</b>	-	-	-	<b>2,471</b>
	E&T	Science	773	-	<b>773</b>	4,561	-	<b>4,561</b>	-	-	-	<b>5,334</b>
	E&T	Life Sciences	2,200	-	<b>2,200</b>	2,090	-	<b>2,090</b>	-	-	-	<b>4,290</b>
Transferred out:	E&T	Work Based Learning	<b>(115,709)</b>	-	<b>(115,709)</b>	-	-	-	-	-	-	<b>(115,709)</b>
	E&T	Marketing Skills	<b>(648)</b>	-	<b>(648)</b>	-	-	-	-	-	-	<b>(648)</b>
	E&T	Skills Policy Engagement	<b>(1,061)</b>	-	<b>(1,061)</b>	-	-	-	-	-	-	<b>(1,061)</b>
	E&T	Employability and Skills	<b>(28,498)</b>	-	<b>(28,498)</b>	-	-	-	-	-	-	<b>(28,498)</b>
	E&T	Careers Wales	<b>(18,800)</b>	-	<b>(18,800)</b>	-	-	-	<b>(12,000)</b>	-	<b>(12,000)</b>	<b>(30,800)</b>



Transferred out:	IR&WL	Welsh Language	(3,913)	-	(3,913)	-	-	-	-	-	-	(3,913)
	IR&WL	Welsh Language Commissioner	(3,051)	-	(3,051)	-	-	-	-	-	-	(3,051)
<b>Restated Education Allocation</b>			<b>1,373,783</b>	<b>107,039</b>	<b>1,480,822</b>	<b>214,089</b>	<b>-</b>	<b>214,089</b>	<b>(109,234)</b>	<b>661,816</b>	<b>552,582</b>	<b>2,247,493</b>

<b>INTERNATIONAL RELATIONS and THE WELSH LANGUAGE (IR&amp;WL)</b>												
<b>£000s</b>												
<b>Movement</b>	<b>From / To</b>	<b>BEL</b>	<b>Resource</b>			<b>Capital</b>			<b>AME</b>			<b>TOTAL</b>
			<b>Fiscal</b>	<b>Non Fiscal</b>	<b>Resource Total</b>	<b>General</b>	<b>Financial Transactions</b>	<b>Capital Total</b>	<b>Resource</b>	<b>Capital</b>	<b>AME Total</b>	
<b>International Relations and the Welsh Language Allocation</b>			-	-	-	-	-	-	-	-	-	-
Transferred in:	E&T	Trade and Inward Investment	1,892	-	<b>1,892</b>	-	-	-	-	-	-	<b>1,892</b>
	E&T	Creative	1,636	-	<b>1,636</b>	7,662	-	<b>7,662</b>	-	-	-	<b>9,298</b>
	E&T	Tourism	13,762	-	<b>13,762</b>	2,000	-	<b>2,000</b>	-	-	-	<b>15,762</b>
	E&T	Major Events Unit	3,918	-	<b>3,918</b>	-	-	-	-	-	-	<b>3,918</b>
	E&T	Arts Council of Wales	31,227	119	<b>31,346</b>	355	-	<b>355</b>	-	-	-	<b>31,701</b>
	E&T	Support for the Arts	45	-	<b>45</b>	-	-	-	-	-	-	<b>45</b>
	E&T	Amgeuddfa Cymru - National Museums of Wales	21,563	1,120	<b>22,683</b>	357	-	<b>357</b>	-	-	-	<b>23,040</b>
	E&T	National Library of Wales	9,585	1,250	<b>10,835</b>	3,280	-	<b>3,280</b>	-	-	-	<b>14,115</b>
	E&T	Strategic Leadership for Museum, Archive and Library Services	2,015	-	<b>2,015</b>	1,430	-	<b>1,430</b>	-	-	-	<b>3,445</b>

Transferred in:	E&T	Welsh Books Council	3,649	-	3,649	30	-	30	-	-	-	3,679
	E&T	Cadw	7,608	3,275	10,883	4,538	-	4,538	-	-	-	15,421
	E&T	National Botanic Garden of Wales	581	-	581	95	-	95	-	-	-	676
	E&T	Royal Commission on the Ancient and Historic Monuments for Wales	1,531	134	1,665	15	-	15	-	-	-	1,680
	E&T	Sports Wales	2,106	-	2,106	-	-	-	-	-	-	2,106
	E&T	Sports Wales Programme Costs	19,207	779	19,986	330	-	330	-	-	-	20,316
	E&T	Support for Sport	252	-	252	-	-	-	-	-	-	252
	E&T	Amgeuddfa Cymru - National Museums of Wales Pension Provision - AME	-	-	-	-	-	-	2,391	-	2,391	2,391
	E&T	National Library of Wales Pension Provision - AME	-	-	-	-	-	-	622	-	622	622
	Educ	Welsh Language	3,913	-	3,913	-	-	-	-	-	-	3,913
	Educ	Welsh Language Commissioner	3,051	-	3,051	-	-	-	-	-	-	3,051
	CS&A	International Development	925	-	925	-	-	-	-	-	-	925
	CS&A	International Relations	10,404	-	10,404	-	-	-	-	-	-	10,404
<b>Restated International Relations and the Welsh Language Allocation</b>			<b>138,870</b>	<b>6,677</b>	<b>145,547</b>	<b>20,092</b>	<b>-</b>	<b>20,092</b>	<b>3,013</b>	<b>-</b>	<b>3,013</b>	<b>168,652</b>

ENVIRONMENT, ENERGY and RURAL AFFAIRS (EE&RA)												
£000s												
Movement	From / To	BEL	Resource			Capital			AME			TOTAL
			Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
<b>Energy Planning and Rural Affairs Allocation</b>			<b>232,734</b>	<b>13,086</b>	<b>245,820</b>	<b>99,454</b>	<b>6,180</b>	<b>105,634</b>	<b>2,400</b>	<b>-</b>	<b>2,400</b>	<b>353,854</b>
Transferred out:	H&LG	Waste	(34,082)	-	(34,082)	(9,000)	-	(9,000)	-	-	-	(43,082)
	H&LG	Local Environment Quality and Keep Wales Tidy <small>Note 1</small>	(200)	-	(200)	-	-	-	-	-	-	(200)
	H&LG	National Parks	(9,468)	-	(9,468)	-	-	-	-	-	-	(9,468)
	H&LG	Natural Resources Wales <small>Note 2</small>	-	-	-	(900)	-	(900)	-	-	-	(900)
	H&LG	Planning and Regulations Expenditure	(5,200)	-	(5,200)	-	-	-	-	-	-	(5,200)
<b>Restated Environment, Energy and Rural Affairs Allocation</b>			<b>183,784</b>	<b>13,086</b>	<b>196,870</b>	<b>89,554</b>	<b>6,180</b>	<b>95,734</b>	<b>2,400</b>	<b>-</b>	<b>2,400</b>	<b>295,004</b>

- NOTES**
- 1 £200k in respect of Fly tipping deducted from the 'Local Environment Quality and Keep Wales Tidy' BEL which remains in the EE&RA MEG
  - 2 £900k in respect of the Coastal Path deducted from the 'Natural Resources Wales' BEL which remains in the EE&RA MEG

CENTRAL SERVICES and ADMINISTRATION (CS&A)												
£000s												
Movement	From / To	BEL	Resource			Capital			AME			TOTAL
			Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
<b>Central Services and Administration Allocation</b>			<b>282,022</b>	<b>16,000</b>	<b>298,022</b>	<b>23,087</b>	-	<b>23,087</b>	<b>2,939</b>	-	<b>2,939</b>	<b>324,048</b>
Transferred in:	H&LG	Advocacy Services <sup>Note 1</sup>	4,725	-	<b>4,725</b>	-	-	-	-	-	-	<b>4,725</b>
	H&LG	Youth Justice Services	4,420	-	<b>4,420</b>	-	-	-	-	-	-	<b>4,420</b>
	H&LG	Support for the Voluntary Sector and Volunteering	6,125	-	<b>6,125</b>	-	-	-	-	-	-	<b>6,125</b>
	E&T	Chwarae Teg <sup>Note 2</sup>	360	-	<b>360</b>	-	-	-	-	-	-	<b>360</b>
Transferred out:	IR&WL	International Development	(925)	-	<b>(925)</b>	-	-	-	-	-	-	<b>(925)</b>
	IR&WL	International Relations	(10,404)	-	<b>(10,404)</b>	-	-	-	-	-	-	<b>(10,404)</b>
<b>Restated Central Services and Administration Allocation</b>			<b>286,323</b>	<b>16,000</b>	<b>302,323</b>	<b>23,087</b>	-	<b>23,087</b>	<b>2,939</b>	-	<b>2,939</b>	<b>328,349</b>

- NOTES**
- 1 £4,725k from the H&LG MEG transferred into the new 'Advocacy Services' BEL
- 2 £360k from the E&T MEG transferred into the new 'Chwarae Teg' BEL

## **Annex 2 – Reconciliation between the Portfolio Budgets in the Action Tables and those the Budget Motion**

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The Explanatory Note supports the Supplementary Budget Motion published alongside this document, which sets out the changes to both the resources that the Welsh Government is proposing to use in 2018-19 and the cash it is seeking authority to draw from the Welsh Consolidated Fund.

The figures in the Supplementary Budget Motion align with the Statement of Resource Outturn which is used in the Welsh Government Accounts.

The Welsh Government's budget includes items which do not score as part of the 'Resources Requested' by Welsh Ministers. This annex provides a reconciliation between the two by each portfolio.

2018-19 SUPPLEMENTARY BUDGET								
£000s								
	Health and Social Services	Housing and Local Government	Economy and Transport	Education	International Relations and the Welsh Language	Environment, Energy, and Rural Affairs	Central Services and Administration	TOTAL
Resource	7,386,158	3,748,820	688,318	1,770,427	143,775	197,397	348,466	14,283,361
Capital	434,037	739,272	588,939	214,403	26,771	95,734	22,333	2,121,489
Resource AME	170,000	1,074,397	32,525	(110,270)	3,013	2,400	2,938	1,175,003
Capital AME	-	-	-	675,134	-	-	-	675,134
<b>TOTAL MANAGED EXPENDITURE</b>	<b>7,990,195</b>	<b>5,562,489</b>	<b>1,309,782</b>	<b>2,549,694</b>	<b>173,559</b>	<b>295,531</b>	<b>373,737</b>	<b>18,254,987</b>
<b>Reconciliation to Resources</b>								
Resource Consumption - Welsh Government Sponsored Bodies	(400)	(200)	-	(305)	(6,281)	(12,400)	-	(19,586)
Supported Borrowing	-	(88,800)	-	-	-	-	-	(88,800)
National Insurance Fund Receipts Collection Costs	(906)	-	-	-	-	-	-	(906)
National Non-Domestic Rates Payable (and Collection Costs)	-	(1,055,172)	-	-	-	-	-	(1,055,172)
Interest Repayments on Borrowing	-	-	-	-	-	-	(1,625)	(1,625)
PFI	-	-	(8,729)	-	-	-	-	(8,729)
<b>RESOURCES REQUESTED</b>	<b>7,988,889</b>	<b>4,418,317</b>	<b>1,301,053</b>	<b>2,549,389</b>	<b>167,278</b>	<b>283,131</b>	<b>372,112</b>	<b>17,080,169</b>

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## Annex 3 – Glossary

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<b>Action</b>	Within each Spending Programme Area (SPA), budgets are allocated to a number of sub-programmes known as Actions.
<b>Ambits</b>	Descriptions of the specific purposes for which Welsh Ministers are authorised by the National Assembly for Wales to spend resources. Ambit Descriptions and resource limits are contained within the Annual and Supplementary Budget Motions. Ambits correspond to MEGs.
<b>Annually Managed Expenditure (AME)</b>	Expenditure which cannot reasonably be subject to firm, multi-year limits in the same way as DEL and is therefore reviewed twice a year as part of the HM Treasury's Budget and Pre-Budget Report processes. AME typically consists of programmes which are large, volatile or demand-led; for example the issue of student loans.
<b>Budget Motion</b>	The means by which the National Assembly for Wales authorises Welsh Ministers to spend resources up to a specific level for specified purposes and to draw cash up to a specific limit from the Welsh Consolidated Fund.
<b>Budget Expenditure Line (BEL)</b>	Within each Action budgets are allocated to a number of sub-expenditure groups known as BELs. Tables showing budgets at BEL level are available at: <a href="http://gov.wales/funding/budget/?lang=en">http://gov.wales/funding/budget/?lang=en</a>
<b>Capital</b>	Expenditure that in the main results in a physical asset, for example a new building. The Welsh Government DEL and AME budgets have separate capital and resource limits.
<b>Departmental Expenditure Limit (DEL)</b>	The multi-year budget limit for the Welsh Government set by the HM Treasury in Spending Reviews.
<b>Depreciation</b>	The drop in value of an asset due to wear and tear, age and obsolescence. Under resource budgeting, depreciation is part of the Welsh Government's DEL but is a non-fiscal resource DEL item.



<b>Direct Charges on the Welsh Consolidated Fund</b>	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore does not score against the budgets of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
<b>Financial Transactions</b>	Financial transactions can only be used for loans and equity purposes. A proportion of the funding also has to be repaid to the Exchequer.
<b>Fiscal Resource DEL (sometimes referred to as revenue)</b>	The Fiscal Resource DEL budget scores most of the department's current expenditure. Expenditure is recorded on an accruals basis. It includes expenditure on pay, current procurement, current grants and subsidies.
<b>Main Expenditure Group (MEG)</b>	The Welsh Government DEL is divided into a number of Main Expenditure Groups. There are currently 6 MEGs: Health and Social Services; Local Government and Public Services; Economy and Transport; Education; Energy, Planning and Rural Affairs and Central Services and Administration.
<b>Non-Fiscal Resource DEL (sometimes referred to as 'non cash')</b>	The Non-Fiscal Resource DEL budget scores the department's current expenditure in respect of impairment of student loans and depreciation. Non-Fiscal Resource DEL is ring-fenced and cannot be used to fund fiscal resource DEL spending.
<b>Receipts</b>	Some areas of Welsh Government activity generate income, for example, through the sale or rental of assets. These are represented in the budget as negative figures.
<b>Resource budgeting</b>	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budgeting includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.

<b>Resource</b> (previously known as revenue)	Current expenditure, for example, funding for the pay of public sector workers and to purchase consumable goods and services.
<b>Spending Review</b>	HM Treasury periodically reviews expenditure for each UK Government Department and sets budgets for the forthcoming years. Budgets for the devolved administrations are derived from these budgets via the Barnett formula, which is the mechanism used to calculate public expenditure allocated to Wales to reflect changes in spending levels allocated to public services in England.
<b>Total Managed Expenditure (TME)</b>	This is an HM Treasury control total which is made up of the total Departmental Expenditure Limit plus Annually Managed Expenditure.
<b>Welsh Consolidated Fund</b>	The account into which the money voted by the UK Parliament for use by the Welsh Government, the Assembly Commission, the Auditor General, and the Public Services Ombudsman for Wales is paid.
<b>WGSB</b>	Welsh Government Sponsored Body. Examples include the Higher Education Funding Council for Wales and the Arts Council of Wales.