

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee
room 3, Senedd and video conference
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 1 March 2023

0300 200 6388

Meeting time: 09.30

SeneddFinance@senedd.wales

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

(Pages 1 – 14)

Minutes of the meeting held on 12 January 2023

Minutes of the meeting held on 19 January 2023

Minutes of the meeting held on 31 January 2023

Minutes of the meeting held on 9 February 2023

2.1 PTN 1 – Letter from the Minister for Finance and Local Government:

Information following the 19 January budget scrutiny session – 6 February 2023

(Pages 15 – 19)

2.2 PTN 2 – Letter from the Minister for Health and Social Services: Information following the 19 January budget scrutiny session – 6 February 2023

(Pages 20 – 22)

2.3 PTN 3 – Agriculture (Wales) Bill: Welsh Government response – 3 February 2023

(Pages 23 – 30)



2.4 PTN 4 – Letter from the Minister for Finance Local Government to the Chair of the Legislation, Justice and Constitution Committee: Inter-Ministerial Standing Committee – 7 February 2023

(Page 31)

2.5 PTN 5 – Letter from the Minister for Finance and Local Government to the Llywydd: The Non-Domestic Rating (Multiplier) (Wales) Regulations 2023 – 24 January 2023

(Page 32)

[The Non-Domestic Rating \(Multiplier\) \(Wales\) Regulations 2023](#)

2.6 PTN 6 – Letter from the Minister for Finance and Local Government: Land Transaction Tax Independent Review – Report – 15 February 2023

(Page 33)

[Independent Review of the Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017](#)

2.7 PTN 7 – Letter from the Minister for Rural Affairs and North Wales, and Trefnydd: Scrutiny of the financial implications of Bills – 15 February 2023

(Pages 34 – 35)

2.8 PTN 8 – Letter from the Minister for Finance and Local Government: Finance Inter-ministerial Standing Committee (F:ISC) – 21 February 2023

(Pages 36 – 37)

2.9 PTN 9 – Letter from the Minister for Finance and Local Government: Report on Outturn 2021–22 – 24 February 2023

(Pages 38 – 66)

3 Scrutiny of the Welsh Government Second Supplementary Budget 2022–23

(09.30–10.30)

(Pages 67 – 86)

Rebecca Evans MS, Minister for Finance and Local Government

Emma Watkins, Deputy Director, Budget and Government Business

Sharon Bounds, Deputy Director, Financial Controls

Supporting documents:

[Welsh Government Second Supplementary Budget 2022–23](#)

Research Service Brief

- 4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.**

(10.30)

- 5 Scrutiny of the Welsh Government Second Supplementary Budget 2022–23: Consideration of evidence**

(10.30–10.45)

- 6 Consideration of the Forward Work Programme**

(10.45–11.15)

(Pages 87 – 95)

Supporting documents:

FIN(6)–05–23 P1 – Forward Work Programme

Concise Minutes – Finance Committee

Meeting Venue: **Hybrid – Committee room 3, Senedd and video conference via Zoom**

This meeting can be viewed on [Senedd TV](#) at:

<http://senedd.tv/en/13412>

Meeting date: Thursday, 12 January 2023

Meeting time: 09.30 – 14.30

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	David Phillips, Institute for Fiscal Studies Ed Poole, Wales Governance Centre Guto Ifan, Wales Governance Centre Sophie Howe, Future Generations Commissioner for Wales Rhiannon Hardiman, Office of the Future Generations Commissioner Alex Chapman, New Economics Foundation Dr Victoria Winckler, Bevan Foundation Luke Young, Citizens Advice Natasha Davies, Chwarae Teg Richard Hughes, Office for Budget Responsibility



	<p>Andy King, Office of Budget Responsibility</p> <p>Professor David Miles, Office for Budget Responsibility</p>
Committee Staff:	<p>Owain Roberts (Clerk)</p> <p>Leanne Hatcher (Second Clerk)</p> <p>Georgina Owen (Second Clerk)</p> <p>Mike Lewis (Deputy Clerk)</p> <p>Martin Jennings (Researcher)</p> <p>Owen Holzinger (Researcher)</p> <p>Christian Tipples (Researcher)</p> <p>Božo Lugonja (Researcher)</p> <p>Aled Evans (Legal Adviser)</p>

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

2 Paper(s) to note

2.1 The papers were noted.

2.1 **PTN 1 – Social Partnership and Public Procurement (Wales) Bill: Welsh Government response**

3 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 2

3.1 The Committee took evidence from David Phillips, Associate Director, Institute for Fiscal Studies; Dr Ed Poole, Senior Lecturer, Wales Governance Centre (Wales Fiscal

Analysis); and Guto Ifan, Lecturer, Wales Governance Centre (Wales Fiscal Analysis) on scrutiny of the Welsh Government Draft Budget 2023–24.

Break (10.30–10.40)

4 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 3

4.1 The Committee took evidence from Sophie Howe, Future Generations Commissioner for Wales; Rhiannon Hardiman, Change Maker Future Generations Commissioner for Wales and Alex Chapman, Senior Researcher, New Economics Foundation on scrutiny of the Welsh Government Draft Budget 2023–24.

Break (11.25–11.35)

5 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 4

5.1 The Committee took evidence from Victoria Winckler, Director, Bevan Foundation; Luke Young, Assistant Director, Citizens Advice Cymru; and Natasha Davies, Policy and Research Lead, Chwarae Teg on scrutiny of the Welsh Government Draft Budget 2023–24.

6 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from items 7,9,10,11 and 12

6.1 The motion was agreed.

7 Scrutiny of the Welsh Government Draft Budget 2023–24: Consideration of evidence

7.1 The Committee considered the evidence received.

8 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 5

The Committee took evidence from Richard Hughes, Chairman, Office for Budget Responsibility; Andy King, Budget Responsibility Committee member, Office for Budget Responsibility; and Professor David Miles, Budget Responsibility Committee member,

Office for Budget Responsibility on scrutiny of the Welsh Government Draft Budget 2023–24.

9 Scrutiny of the Welsh Government Draft Budget 2023–24:

Consideration of evidence

9.1 The Committee considered the evidence received.

10 Audit Wales Fee Scheme 2023–24

10.1 The Committee approved the Audit Wales Fee Scheme 2023–24, under Standing Orders 18.10(x) in accordance with section 24(7) of the Public Audit (Wales) Act 2013.

11 Supplementary Legislative Consent Memorandum (No. 3) (SLCM) – UK Infrastructure Bank Bill

11.1 The Committee considered the SLCM and agreed to write to the Minister for Finance and Local and Government.

12 Financial implications of the Food (Wales) Bill

12.1 The Committee considered the supporting documents and agreed to scrutinise the financial implications of the Food (Wales) Bill.

Concise Minutes – Finance Committee

Meeting Venue: **Hybrid – Committee room 4 Ty Hywel and video conference via Zoom**

This meeting can be viewed on [Senedd TV](http://senedd.tv) at: <http://senedd.tv/en/13176>

Meeting date: Thursday, 19 January 2023

Meeting time: 09.30 – 14.52

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS Russell George MS
Witnesses:	Sally May, Cwm Taf Morgannwg University Health Board Darren Hughes, Welsh NHS Confederation Alwyn Jones, Association of Directors of Social Services Dave Street, Association of Directors of Social Services (ADSS) Jon Rae, Welsh Local Government Association (WLGA) Lis Burnett, Vale of Glamorgan Council Anthony Hunt, Torfaen County Borough Council Llinos Medi, Isle of Anglesey County Council Rebecca Evans MS, Minister for Finance and Local



	<p>Government</p> <p>Andrew Jeffreys, Welsh Government</p> <p>Emma Watkins, Welsh Government</p>
Committee Staff:	<p>Owain Roberts (Clerk)</p> <p>Leanne Hatcher (Second Clerk)</p> <p>Georgina Owen (Second Clerk)</p> <p>Mike Lewis (Deputy Clerk)</p> <p>Martin Jennings (Researcher)</p> <p>Joanne McCarthy (Researcher)</p> <p>Owen Holzinger (Researcher)</p>

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

1.2 Russell George MS attended as a substitute for Peter Fox MS for items 1 and 2. Peter Fox MS attended for the remainder of the meeting.

2 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 6

2.1 The Committee took evidence from Sally May, Executive Director of Finance Cwm Taf Morgannwg University Health Board; Darren Hughes, Director, Welsh NHS Confederation; Alwyn Jones, President, Association of Directors of Social Services Cymru (ADSS Cymru); and Dave Street, Corporate Director of Social Services and Housing, Caerphilly County Borough Council on scrutiny of the Welsh Government Draft Budget 2023–24.

Break (10.30–10.40)

3 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 7

3.1 The Committee took evidence from Jon Rae, Director of Resources, Welsh Local Government Association; Cllr Anthony Hunt, Leader, Torfaen County Borough Council; Cllr Llinos Medi, Leader, Isle of Anglesey County Council; and Cllr Lis Burnett, Leader, Vale of Glamorgan Council on scrutiny of the Welsh Government Draft Budget 2023–24.

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from items 5,7 and 8; and the next meeting

4.1 The motion was agreed.

5 Scrutiny of the Welsh Government Draft Budget 2023–24: Consideration of evidence

5.1 The Committee considered the evidence received.

Lunch (11.55–12.45)

6 Scrutiny of the Welsh Government Draft Budget 2023–24: Evidence session 8

6.1 The Committee took evidence from Rebecca Evans MS, Minister for Finance and Local Government; Andrew Jeffreys, Director, Treasury; and Emma Watkins, Deputy Director, Budget & Government Business on scrutiny of the Welsh Government Draft Budget 2023–24.

6.2 The Minister for Finance and Local Government agreed to provide:

- Information about the rate of borrowing the Welsh Government gets from the Public Works Loan Board.

6.3 The Minister for Finance and Local Government said the Minister for Health and Social Services would provide the following:

- NHS Boards financial positions;
- Ways in which the NHS can be more efficient;
- Take-up of invest-to-save and other related initiatives by Local Health Boards to improve energy efficiencies.

7 Scrutiny of the Welsh Government Draft Budget 2023–24: Consideration of evidence / Key issues

7.1 The Committee considered the evidence received and the key issues.

8 Consideration of the Landfill Disposals Tax (Tax Rates) (Wales) (Amendment) Regulations 2022

8.1 The Committee considered the tax regulations.

Concise Minutes – Finance Committee

Meeting Venue:

Video Conference via Zoom

Meeting date: Tuesday, 31 January 2023

Meeting time: 09.30 – 09.57

Remote, private

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Committee Staff:	Owain Roberts (Clerk) Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher) Owen Holzinger (Researcher) Joanne McCarthy (Researcher) Christian Tipples (Researcher) Božo Lugonja (Researcher)



At its meeting on 19 January 2023, the Committee agreed a motion under Standing Order 17.42(ix) to exclude the public from today's meeting.

Registration (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

2 Scrutiny of the Welsh Government Draft Budget 2023–24:

Consideration of draft report

2.1 The Committee considered the report and agreed it with minor changes.

3 Second Supplementary Budget 2022–23 requests from Directly Funded Bodies

3.1 The Committee considered and agreed the supplementary budget requests from the Directly Funded Bodies.

3.2 The Committee considered and agreed Audit Wales's correction to its 2023–24 Estimate.

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee room 5 Ty Hywel and video conference via Zoom

This meeting can be viewed on [Senedd TV](http://senedd.tv) at: <http://senedd.tv/en/13207>

Meeting date: Thursday, 9 February 2023

Meeting time: 10.00 – 12.25

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Mike Hedges MS Rhianon Passmore MS Sam Rowlands MS
Witnesses:	Lesley Griffiths MS, Minister for Rural Affairs and North Wales, and Trefnydd David Lloyd–Thomas, Welsh Government Peter Fox MS, Member in charge of the Bill Tyler Walsh, Member of the Senedd Support Staff – Peter Fox MS Elfyn Henderson, Research Service Martin Jennings, Research Service
Committee Staff:	Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk)



	Christian Tipples (Researcher)
--	--------------------------------

Registration (09.30–09.45)

Private pre-meeting – Informal (09.45–10.00)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

1.2 Sam Rowlands MS attended as a substitute for Peter Fox MS.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Letter from the Minister for Finance and Local Government: Further information following the Finance Committee meeting on 14 December – 17 January 2023
- 2.2 PTN 2 – Letter from the Minister for Finance and Local Government – Proposed Changes to the Budget Protocol – 17 January 2023
- 2.3 PTN 3 – Letter from the Chief Executive and Clerk of the Committee: Cost-of-living payment for Commission staff – 19 January 2023
- 2.4 PTN 4 – National Audit Office: Administration of Welsh rates of income tax 2021–22 – 19 January 2023
- 2.5 PTN 5 – Letter from the Legislation, Justice and Constitution Committee to the Llywydd: Retained EU Law (Revocation and Reform) Bill – 27 January 2023
- 2.6 PTN 6 – Letter from the Minister for Finance and Local Government: Finance Inter-ministerial Standing Committee (F:ISC) – 30 January 2023
- 2.7 PTN 7 – Letter from the Minister for Health and Social Services to the Chair of the Health and Social Care Committee: Health Service Procurement (Wales) Bill – 18 January 2023

3 Financial implications of the Food (Wales) Bill: Evidence session 1

3.1 The Committee took evidence on the financial implications of the Food (Wales) Bill from Lesley Griffiths MS, Minister for Rural Affairs and North Wales, and Trefnydd; and David Lloyd-Thomas, Head of Food Policy & Strategy Unit, Welsh Government.

Break (10.30–11.15)

4 Financial implications of the Food (Wales) Bill: Evidence session 2

4.1 The Committee took evidence on the financial implications of the Food (Wales) Bill from Peter Fox MS, Member in charge of the Bill; Tyler Walsh, Member of the Senedd

Support Staff; Martin Jennings, Research Service; and Elfyn Henderson, Research Service.

5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting.

5.1 The motion was agreed.

6 Food (Wales) Bill: Consideration of evidence

6.1 The Committee considered the evidence received.

7 Audit Wales Fee Scheme 2023–24

7.1 The Committee approved the corrected Audit Wales Fee Scheme 2023–24, under Standing Orders 18.10(x) in accordance with section 24(7) of the Public Audit (Wales) Act 2013.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Agenda Item 2.1



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref:

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1SN
Peredur.OwenGriffiths@senedd.wales

6 February 2023

Dear Peredur,

Further to the Draft Budget scrutiny session held on 19th January, please find below further information as requested.

PFI Schemes

The Welsh Ministers have three borrowing arrangements with the National Loans Fund at present: two historic loans inherited through public sector reorganisations relating to the Development Board for Rural Wales and Mid Wales Development Corporation drawn between 1974 and 1991 with interest rates ranging from 13.5%-17.25%; and a loan drawn in 2019 under the new borrowing powers granted by the Wales Act 2014 with an interest rate of 1.4%.

The Welsh Government is able to borrow via the National Loans Fund, where the interest rate on a 25 year equal repayment loan is currently 3.7%. Local authorities can borrow via the Public Works Loan Board, where the interest rate on an equivalent loan is currently 4.5%.

The current interest rate is in line with what was assumed for Draft Budget 2023-24. Therefore, it is important to recognise that as a form of finance, government borrowing rates still provides a cheaper option than commercial borrowing, for example.

Our understanding is that three Local Authority PFI contracts have been terminated and one Local Health Board contract has come to the end of its term. However, these are not our contracts and the Committee would need to direct any detailed questions towards the relevant Contracting Authorities.

Budget Improvement and Impact Advisory Group (BIAG)

The 2022 work plan for BIAG included working collaboratively with Welsh Government officials to explore how we could review our approach to the Strategic Integrated Impact Assessment of the Budget (SIIA). This included reforms to the presentation of the SIIA document published as part of the 2023-24 Draft Budget which captures the impact assessment process.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

During 2022 we held three full BIAG meetings which were dedicated to the SIIA, including a presentation of the SIIA and its history. We established a sub-group comprising BIAG members including Chwarae Teg, RSPB, the Equalities & Human Rights Commission and Cytun. The sub-group met on two occasions to discuss and establish what improvements could be made to the SIIA, including changes which were able to be implemented in time for publication in December 2022. We are in discussion with the sub-group on possible longer term actions which could be taken forward in 2023. Further details can be found in the Budget Improvement Plan. <https://www.gov.wales/budget-improvement-plan-2023-2024>

The 2023 BIIA work plan includes Welsh Government officials working collaboratively with members to explore how to embed prevention into our budget and tax processes. We are currently exploring whether a sub-group can be formed to drive this work forward, in a similar vein to the SIIA sub-group. Welsh Government officials have recently delivered a presentation on prevention to BIAG members. I would be happy to offer a similar technical briefing on prevention and the progress being made through working in partnership with BIAG members, if this is something the Finance Committee would value.

Development of a Charter for the delivery of Welsh Benefits

Developed in conjunction with the Income Maximisation Group comprising key stakeholders such as the Bevan Foundation, we have a draft set of principles for the Charter, which stakeholders have agreed is robust. An engagement plan has been developed to take this work forward and officials have identified opportunities to consult with and promote the charter to the following audiences:

- Local authorities and other delivery partners;
- Organisations that support people claiming benefits;
- Individuals who claim benefits.

An integral part of this work will be commitment and sign up from local authorities who deliver the majority of the Welsh benefits. The Welsh Local Government Association (WLGA) have offered to help with this activity via their executive board.

We see the implementation of the Charter as a key element of our work to streamline Welsh benefits which sets out our vision of a fair, equitable system based on rights and entitlements. We are aware however, that there will be a number of practical barriers (including data sharing) to creating a system where a person only has to tell their story once in order to access what they are entitled to.

A Data Sharing Public Service Forum was held by the Welsh Government on 28th November 2022. The Forum, which was attended by a wide variety of public sector colleagues, aimed at dispelling some of the myths and concerns around data sharing. Presentations were given by representatives of the Information Commissioner's Office in Wales, the Wales Accord on the Sharing of Personal Information and the Welsh Government to outline how legislation was an enabler, not barrier, to information sharing and to raise the confidence of teams to use data to support public services.

Centre for Digital Public Services (CDPS)

The CDPS ran a workshop with the WLGA in November 2022. Colleagues from local authorities, Welsh Government and representatives from Citizens Advice across Wales attended. The workshop provided an opportunity for public service workers to share their experiences and knowledge and helped start to identify and tackle the most important problems.

At the end of the workshop, a number of actions were agreed. They included:

- Consistently using the official names given by the Welsh Government for all benefits and services;
- Collaboration between local government and the Welsh Government to co-design new benefits or service information to ensure that local and national campaigns are aligned;
- Continued working between the WLGA and local authorities in Wales to “do it once, do it properly”, making it clear to users whether they are eligible for certain benefits and services or not.

The CDPS is taking forward the learning from the workshop and has recently mobilised a team to work with local authorities throughout February to work on standardising content for the Pupil Development Grant – Access (PDG-A) Grant.

CDPS is using this as a pilot to understand how content can be designed collaboratively to improve quality, accessibility and reduce cost. This work will also be a content design project with English and Welsh designed from the start.

School transport

The Minister for Education and Welsh Language and the Deputy Minister for Climate Change met on 11th January as part of a series of bilateral Ministerial meetings to explore new opportunities to deliver Cymraeg 2050 across all Government policies. The Minister took the opportunity to update the Deputy Minister on issues relating to home to school transport arrangements affecting families attending Welsh-medium education, as raised in his recent meetings with local authorities to discuss progress against their Welsh in Education Strategic Plans. During the meeting the Deputy Minister confirmed that a wider programme of work regarding the Learner Travel (Wales) Measure 2008 was underway following an initial review in 2020 and that this will contribute to discussions on the Bus (Wales) Bill.

The Government has published a White Paper, *One Network, One Timetable, One Ticket*, which sets out an ambitious vision for transforming bus services in Wales. The proposed bill will offer us a chance to look afresh at bus service delivery across Wales, including the provision of school transport. As our aims are ambitious, these reforms will take time, but it is vital that we get this right to support learners and our wider reform programme.

Officials have been in discussions with local authorities and school transport providers throughout Wales regarding the general cost of school transport, as they continue to discharge their statutory duties in providing home to school transport to learners. Local authorities confirm that the cost of school transport services has increased significantly, and in general there have been fewer tender submissions from operators for such work when being procured. Driver availability also remains to be problematic.

There have been differences across Wales in the ways that local authorities have dealt with increases to school transport costs. Some automatically provide an annual inflationary rise to contract prices, some provide when requested, whilst others do not provide at all.

Grants: Longer Duration of Funding and Benchmarking

The Welsh Government Grants Centre of Excellence was commissioned by the First Minister and Cabinet to consider how best to strengthen the relationship with grant recipients and reduce the administrative burden for competitively funded grants. The Grants Centre of Excellence has worked with grant managers across the Welsh Government and engaged with the Third Sector Partnership Council Sub-Committee to help co-create the policy and guidance.

As a result, Grant Managers, working closely with Ministers, now have the option to offer competitively funded grants over a longer duration and adopt benchmarking in the award process, provided there is a thorough review of performance and delivery against outcomes. Benefits of this work include:

- An end to re-competing grants each year, which is administratively burdensome for both grant managers and recipients alike;
- The option of introducing a benchmarking exercise at the end of a competitive grant scheme to determine whether organisations receive additional funding to allow longer duration of funding. To ensure transparency, fairness and a level playing field it is recommended that the benchmarking exercise is clearly set out in the application guidance for new schemes and is not applied as an add-on to an existing scheme. This allows all organisations to understand the parameters of the grant scheme at the outset and minimises the risk of challenge or disadvantage;
- Greater focus on outcomes as well as outputs;
- Greater security for the third sector and the ability to re-focus precious time and resource expended in retaining the expertise of key staff involved in the funded grant activity;
- Allow value for money (VfM) to be demonstrated through our longer-term partnership relationships and benchmarking arrangements established with grant recipients.

The need to compete grants schemes (where applicable) at the outset will continue and represents best practice to ensure value for money. It is also possible that longer grant schemes and benchmarking will not be appropriate in all circumstances.

This new approach was launched on 1st April 2022. Grant Managers have been asked to consider their policy areas and existing arrangements and to familiarise themselves with the new improved processes and consider how this will be applicable, whilst continuing to work closely with Ministerial priorities and budgets. The Grants Centre of Excellence continues to work with Grant Managers and officials across the Welsh Government, collating feedback on changes and impact across the departments, while continuing to co-create guidance, training and ensuring support is available.

I hope this additional information is helpful, but please let me know if you require anything further.

Yours sincerely,



Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Agenda Item 2.2

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair
Finance Committee

SeneddFinance@senedd.wales

6 February 2023

Dear Peredur,

I write in response to the requests for additional information that arose in your scrutiny session on the Draft Budget for 23-24 on Thursday 19th January 2023, with the Minister for Finance and Local Government.

An update on NHS Local Health Boards' financial positions.

We have provided NHS organisations with significant funding this year of nearly £900m to cover cost and demand growth, pay increases, exceptional energy costs and the ongoing responses to the Covid pandemic.

Our expectation was for organisations to manage their core financial positions alongside this support. However, despite this support, we are seeing significant core deficits being reported by organisations at this point of the year. As reported at month 9 (December) the NHS position was forecast as expected to be around £166.9m deficit by the year end, with all but one Health Board expecting to report a deficit.

The deficits are a reflection of the significant demand and inflationary pressures that the NHS is experiencing this financial year. For example, the cost of drugs is increasing by at least 5%. Local health boards have also seen a material increase in the cost of continuing healthcare packages.

Despite forecasting to deliver £140m efficiency savings this year, organisations are reporting a shortfall of nearly £30m in the savings they planned to deliver this year, which is contributing to the deficit position.

Service pressures are also contributing with a number of health boards increasing their bed capacity on a recurrent basis to respond to the demand. This is generating increased staff costs, including the need to continue using high cost agency staff.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

We are closely monitoring NHS financial positions on a monthly basis, and my officials, along with the Finance Delivery Unit, undertook detailed mid-year reviews with each organisation to confirm their expected outturn. These meetings were followed up by formal Accounting Officer letters submitted by the Chief Executives to Judith Paget as NHS Wales Chief Executive.

Three health boards (Cardiff and Vale, Cwm Taf Morgannwg and Hywel Dda) are now in increased levels of escalation due to the deterioration in their financial position as they described in their financial plans for this year.

As part of a structured process of intervention, we are working with these organisations to confirm the reasons for their financial deterioration. The interventions are also testing that they have a process for developing a pipeline of efficiency opportunities and making sure these are translated into firm and deliverable savings schemes.

We are closely monitoring the positions of the other three health boards (Aneurin Bevan, Betsi Cadwaladr and Powys) that are currently reporting a deficit against the balanced plans they submitted at the beginning of the year. It is likely that further interventions will be required but this will be subject to the usual tripartite arrangements.

On the question of what can be done to improve the efficiency of the NHS, and in particular learning from best practice from other parts of the UK and elsewhere in the world.

NHS organisations have annual efficiency programmes and are consistently looking to improve the way services are delivered to ease service pressures and to generate increased productivity and cost savings. There is also a significant focus on increasing value, improving outcomes that matter for patients through better utilisation of resources.

The 2022-23 planning assumption was for the NHS to deliver around 1.5% of efficiency savings as a minimum and maintain that going forward. Whilst NHS organisations are flagging a shortfall on original targets; at month 9, they are forecasting an outturn for savings delivery at around £140m, with the shortfall of around £30m contributing to their overall deficit position.

We are expecting NHS organisations to deliver a minimum of 2.5% efficiencies next year and this is expected to be reflected in their plans which are due to be submitted in March 2023.

Judith Paget, the NHS Wales Chief Executive, has established and is chairing a Utilisation of Resources Group which brings together senior managerial and clinical staff from across the NHS, as well as Welsh Government officials, to provide a national and system-wide approach to delivering efficiency. This Group is considering opportunities to improve value and productivity as well as cash-releasing efficiency savings. Early work includes a review of medicines and also considering workforce opportunities to reduce reliance on agency staffing.

The NHS has also developed a framework for identifying, sharing, and developing benchmarking and opportunities for delivering improvement via the Finance Delivery Unit (FDU) in a centralised data repository, which supports NHS Wales organisations and the utilisation of resources group.

NHS organisations participate in established benchmarking groups such as the UK wide NHS Benchmarking network and uses other systems to benchmark performance and opportunity potential, against comparator organisations and peer groups.

The NHS also engages with other health systems to identify opportunities for shared learning and improvement, such as the Value in Health Centre – this being a coalition hub of the World Economic Forum’s Global coalition for Value Based Healthcare.

There is a lot of work ongoing in the area of Value-based healthcare in NHS Wales. We are investing in a value-based approach to recovery over the medium term, with a focus on improving outcomes that matter to patients. There is £19million allocated in 2023-24 for this. This allocation will also support NHS recovery, with a focus on delivery of high value interventions that ensure improved outcomes for patients and support service sustainability and reducing waits for treatment over the medium term. The investment will give greater focus on delivery of outcomes that matter for patients and will complement the implementation of plans currently being developed to tackle the immediate backlog of patients waiting for treatment.

In response to further information on which Health Boards have taken up the use of invest to save and other related initiatives to improve energy efficiencies.

The Invest to Save Fund has an on-going ring fenced budget allocation for energy efficiency schemes supported by a wide range of repayments from previous carbon reduction project investments.

In 2022-23 the budget of £4 million was fully allocated and supported projects at Cardiff and Vale University Health Board and Hywel Dda University Health Board. The fund has a budget of approximately £4m in 2023-24 and a similar amount for 2024-25 which we expect to be fully utilised. Investments made in these financial years will help to support the on-going operation of the fund post 2024-25 due to the repayments coming back in from new investments.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AS/MS

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Agenda Item 2.3



Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd

Minister for Rural Affairs and North Wales, and Trefnydd

Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru
Cardiff
CF99 1SN

3 February 2023

Dear Peredur

Thank you for the Finance Committee Report published on 27 January regarding the Agriculture (Wales) Bill as part of stage 1 scrutiny.

I am grateful to the Committee for its considered stage 1 scrutiny. I have carefully considered the committee's report.

Please see my response in Annex 1 to the set of recommendations in advance of the Stage 1 General Principles Debate, as requested within recommendation 1.

Yours sincerely

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd

Minister for Rural Affairs and North Wales, and Trefnydd

Annex 1: Response to Finance Committee’s report on the Agriculture (Wales) Bill – 6 February 2023

Recommendation 1. The Committee recommends that, in line with the issues raised in its letters to the First Minister on 16 November and 19 December 2022, that the Minister provides a written response to the recommendations set out in this report, prior to the Stage 1 debate.

I have agreed to provide a written response to the committee ahead of the stage 1 debate on this Bill.

However, I would like it noted as outlined by the First Minister in his letter to the Committee in December, it is not always practical for Welsh Ministers to do this prior to the Stage 1 debate for every Bill.

Recommendation 2. The Committee recommends that the Welsh Government provides a breakdown of the costs included in Option 3 of the Regulatory Impact Assessment relating to Rural Development Plan funding, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Accept

The focus of the future support Cost Benefit Analysis within the Regulatory Impact Assessment (RIA) was on the costs and benefits of providing revenue support directly to farmers. Under the current system, the two largest contributors to this are the Basic Payment Scheme and Glastir, amounting to an estimated £278m per year. The costs and benefits of other elements of support (such as Farming Connect and the Farm Liaison Service) were also included.

We are not proposing to divert funding support away from farmers. The £278m is not a prediction or guarantee of future funding levels, it will depend on future funding settlements from His Majesty’s (HM) Treasury and the Welsh Government budget process. It is difficult to be certain what the future budget for agricultural support will look like beyond the term of this UK parliament.

We accept the recommendation to add further information relating to the Rural Development Programme elements not included in the RIA, for information following Stage 2.

Recommendation 3. The Committee recommends that the Minister undertakes modelling work to estimate the annual cost of the Sustainable Land Management scheme dependent on the different levels of take-up in different farming types, and

Annex 1: Response to Finance Committee’s report on the Agriculture (Wales) Bill – 6 February 2023

that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Accept in Principle

The Regulatory Impact Assessment (RIA) covers all the provisions in the Agriculture (Wales) Bill. It is not an RIA for the Sustainable Farming Scheme (SFS). Option 3 of the Cost Benefit Analysis (CBA) for future support focusses on the costs and benefit of legislation to introduce support consistent with Sustainable Land Management (SLM). The Bill does not define the delivery mechanisms of future schemes.

The proposed SFS is still under development. We have recently concluded the survey, workshops and interviews which formed the second round of co-design for the SFS and intend to publish a full report early 2023. The environmental and economic modelling work my officials are undertaking will also inform the design of the final proposed scheme.

I have committed to consult on the final proposed scheme at the end of this year. We will publish a range of evidence concerning our assessment of the scheme and the outcomes we are expecting to deliver. The timescales proposed for the consultation and SFS modelling will not allow additional information to be included in a revised RIA following stage 2 proceedings.

Recommendation 4. The Committee recommends that the Minister reassess the unquantified costs, and uses previous experience to provide a sensitivity analysis to show the potential range of costs, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Accept in Principle

The Regulatory Impact Assessment (RIA) has, wherever possible, quantified the expected costs associated with the provisions within the bill.

For some of the powers being taken in the bill it is not possible to quantify costs, for example we cannot know when a crisis might occur, and on what scale, so we cannot plan for all expected costs. A fuller explanation is provided below.

Intervention in Agricultural Markets:

Calculating costs for this proposal is unknown because of the nature of these proposed powers being one of crisis response. Two examples of previous market intervention schemes are given below, but these may not reflect the cost of any future schemes.

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

In 2020, a scheme was launched to support the dairy sector when the Covid-19 pandemic forced the closure of hospitality establishments. While this scheme used powers under the Government of Wales Act 2006, they were used in a similar way to how the proposed powers could be used. Under this scheme, £1,018,500 was paid out to Welsh dairy farmers, which when adjusted for inflation, is equivalent to £1,182,000 in 2022 prices.

In the period 2011-2021, two crisis intervention schemes were launched, both in support of the dairy sector. One came in the form of support across the EU in 2016, which was in response to hardship caused by the end of milk quotas, a Russian ban on EU food imports and low oil prices.

It should be noted this scheme may not directly reflect the sort of scheme possible under the proposed powers for exceptional market conditions in the Agriculture (Wales) Bill, as it was proposed as a wider set of EU support to the dairy sector. Under the 2016 scheme, €30,195,996 was allocated to the UK under this crisis intervention measure. At the time, officials estimated the support to Wales would be approximately £3.2 million. Adjusted for inflation, in 2022 this would be worth £4 million.

Marketing Standards/ Carcass Classification:

There are no foreseeable financial costs because the Welsh Government does not currently have any plans to use the proposed powers to amend marketing standards in the time period specified.

Tenancies:

Costs and benefits are very difficult to estimate with any certainty as each agricultural tenancy agreement is a unique private contract and the detail of the financial assistance schemes to which the provisions apply are yet to be finalised. It is difficult to estimate how many agricultural tenants may benefit from the provisions when implemented. However, we anticipate the true benefit of the proposal will be in incentivising tenants and landlords to come to a negotiated agreement to avoid the costs of dispute resolution.

Tenants who successfully utilise the provisions to vary restrictions (when implemented) may receive direct financial benefits from accessing financial assistance schemes. This could also benefit the landlord where schemes help increase farm efficiency and productivity by making the tenant more financially resilient and less likely to enter into rent arrears. However, this is impossible to quantify because it will be different in each case.

Annex 1: Response to Finance Committee’s report on the Agriculture (Wales) Bill – 6 February 2023

Forestry:

As outlined in more detail at Recommendation 6, the likely costs set out in the RIA were those which could be identified and agreed in collaboration with the Forestry Provision Stakeholder Group. They also agreed that a number of costs could not be quantified other than in individual examples as set out in the text of the RIA. There were no previous experiences to draw upon that relate to the new powers proposed.

It is proposed that frequency of cases and associated real costs are examined as part of the post-implementation review to be undertaken within 3 years of the commencement of these new powers. This will provide a better understanding of the operation of the powers and the costs involved.

Public Intervention and Private Storage Aid:

The Welsh Government are planning to reform Public Intervention (PI) and Private Storage Aid (PSA) legislation, ending mandatory Public Intervention and making amendments to how Public Storage Aid is governed. These changes mirror those being made by the UK Government for England and use powers for the Welsh Ministers in the Agriculture Act 2020.

These schemes, which operate effectively when applied across the UK market, are rarely used due to the fact the specification and/or price thresholds are rarely met.

Officials are currently assessing the implications and where appropriate will update the RIA.

Recommendation 5. The Committee recommends that the Welsh Government ensures the Senedd will have the opportunity to scrutinise the Economic Impact Assessment and present its views.

Accept

The final economic analysis will be published alongside a range of other evidence in support of our proposals, as part of the proposed consultation in 2023 on the Sustainable Farming Scheme. I anticipate that this work will estimate the economic impact of the proposed Sustainable Farming Scheme (SFS) on the Welsh farming sector

I will ensure that the final report on the economic analysis of the proposed SFS is made available to the Senedd for scrutiny.

Annex 1: Response to Finance Committee’s report on the Agriculture (Wales) Bill – 6 February 2023

Recommendation 6. The Committee recommends that the Welsh Government undertakes further work to assess the cost to the private sector relating to forestry and provides a sensitivity analysis to show the potential range of costs, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Not accepted

It is not possible to provide a potential range of costs for inclusion in the Regulatory Impact Assessment (RIA).

The likely costs and benefits set out in the RIA were those which could be identified and were agreed in collaboration with the Forestry Provision Stakeholder Group which was comprised of representatives of both the forestry and conservation sectors. A number of costs could not be quantified other than in individual example cases as set out in the RIA.

Unquantified costs are already part of the normal pattern of forest management planning, allowing flexibility around felling operations where necessity arises e.g. stoppage due to unsuitably wet ground conditions or the unexpected presence of a Schedule 1 bird under the Wildlife and Countryside Act 1981. These are in line with the UK Forestry Standard which all felling licences must comply with.

Proposed conditions will range from baseline conditions to site specific or bespoke conditions depending on the site circumstances. Baseline conditions are aimed at formalising compliance with other environmental legislation within the felling licence system. As such, no additional costs to the private sector are envisaged over and above what they are already doing.

With regards to site specific or bespoke conditions where there is a potential for additional costs, providing a range of meaningful costs is very difficult. This is due to the unknown likelihood of different cases arising depending on highly variable factors such as scale of operations, age and species of trees felled, individual site conditions and the environmental sensitivities present.

These highly variable factors also affect estimating a range of costs to the private sector for amendment/suspension/revocation of licences and any associated compensation. It is noted that instances of suspension and revocation are expected to be very rare, as a last resort where agreement or amendment cannot address the issue.

Therefore, it is not possible to provide a potential range of costs for inclusion in the RIA.

Annex 1: Response to Finance Committee’s report on the Agriculture (Wales) Bill – 6 February 2023

It is proposed that frequency of cases and associated real costs are examined as part of the post-implementation review to be undertaken within 3 years of the commencement of these new powers. This will provide a better understanding of the implementation of those powers and the costs involved.

Recommendation 7. The Committee recommends that, as part of the post-implementation review, the Minister quantifies the benefits arising from the Bill.

Accept

The Bill includes a set of comprehensive monitoring and reporting requirements as set out below.

Annual financial reporting of schemes operating under the Power to Provide Support will outline all the financial spend of all support provided during the period being reported. This report will also provide information on the number of schemes and their corresponding financial profiles for the period.

An Impact report must be completed periodically to assess the impact of all support provided. Not only will this provide the mechanism of appropriate accountability, it is also a means of measurement against the purposes for which support is given and an assessment of the supports contribution towards achieving the SLM objectives. This will form an important and ongoing evidence base for future policy development.

In addition, there are reporting requirements for the progress made against the SLM objectives, where indicators and targets will be set to measure progress against the SLM objectives.

Forestry:

My officials will conduct a post implementation review of the legislation within 3 years of commencement of the amendments to the Forestry Act 1967.

We will work with Natural Resources Wales and stakeholders to agree a collection of relevant data following commencement in order to monitor the impact of the forestry provisions within the Bill.

Recommendation 8. Where possible there should be synergy between the current and new IT system that will be developed to support online applications and contract management under the Bill. The Committee recommends that the Minister provides further details of the costs of the system once the options assessment has concluded, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Annex 1: Response to Finance Committee’s report on the Agriculture (Wales) Bill – 6 February 2023

Accept

Further details of the IT development costs will be provided in an updated Regulatory Impact Assessment (RIA) following stage 2 proceedings. These costs will be estimates based on our initial assessment of options relating to the delivery of the current scheme design proposals.

Recommendation 9. The Committee recommends that the Sustainable Land Management scheme’s application process for farmers or farm businesses is user-friendly and minimises the resources required to apply for the programme through concepts such as pre-populated information.

Accept

Making the application process user-friendly with minimal resources required is an important design principle which will be adopted wherever possible.

Recommendation 10. The Committee recommends that the Minister provides clarification in relation to the £2.8 million of additional costs that will be borne by Natural Resources Wales and whether additional funding will be made available by the Welsh Government or whether Natural Resources Wales will be expected to absorb these costs into its existing budget.

Accept

The costs attributed to Natural Resources Wales (NRW) are indicative estimates and not predictions. My officials are currently working with NRW to determine what, if any, future downstream costs may be realised as a result of future Sustainable Land Management (SLM) schemes.

As we begin to transition to future SLM schemes, I will work to ensure that any downstream costs resulting from the implementation of this legislation are fully considered.

Work to support the delivery of the Sustainable Farming Scheme will be agreed between NRW and Welsh Government.

Mick Antoniw AS/MS
Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution



Llywodraeth Cymru
Welsh Government

Huw Irranca-Davies MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

07 February 2023

Dear Huw,

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

Further to my letter of 19 January, I have issued a [Written Ministerial Statement](#) summarising discussions at the most recent meeting of the Inter-Ministerial Standing Committee ('IMSC').

I have confirmed as part of that Statement that the next IMSC is scheduled to be held in March and will be chaired by the UK Government, in line with rotating chair arrangements. I will provide a written update on the arrangements for the next meeting, which will include the date and likely agenda items, in due course.

I have also copied this letter to the Finance Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely,

Mick Antoniw AS/MS
Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Mick.Antoniw@llyw.cymru
Correspondence.Mick.Antoniw@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Agenda Item 2.5

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-RE-0041-23

Elin Jones MS
Llywydd
Senedd Cymru
Cardiff Bay
CF99 1SN

24 January 2023

Dear Llywydd,

THE NON-DOMESTIC RATING (MULTIPLIER) (WALES) REGULATIONS 2023

I have today made the Non-Domestic Rating (Multiplier) (Wales) Regulations 2023, under paragraph 5(13A) of Schedule 7 to the Local Government Finance Act 1988. The legislation will come into force on the day after the day on which it is approved by a resolution of Senedd Cymru and will take effect from 1 April 2023. I attach a copy of the statutory instrument which I intend to lay once the statutory instrument has been registered.

In accordance with paragraph 5(13C) of Schedule 7 to the Local Government Finance Act 1988, this instrument must be approved by the Senedd Cymru before the Senedd approves the *Local Government Finance Reports* for the financial year beginning 1 April 2023, or before 1 March 2023, whichever is earlier, in order for it to be effective. In these circumstances, I understand Standing Order 21.4A is relevant and the Business Committee may establish and publish a timetable for the responsible committee or committees to report. It may be helpful to know that I intend to hold the Plenary debate for this item of subordinate legislation on 28 February 2023.

I am copying this letter to Lesley Griffiths MS, the Minister for Rural Affairs and North Wales, and Trefnydd, Huw Irranca-Davies MS, Chair of the Legislation, Justice and Constitution Committee, Peredur Owen Griffiths, Chair of the Finance Committee, Siwan Davies, Director of Assembly Business, Sian Wilkins, Head of Chamber and Committee Services, and Julian Luke, Head of Policy and Legislation Committee Service.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Pack Page 32

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths AS/MS
Chair
Finance Committee
Welsh Parliament

15 February 2023

Dear Peredur,

Land Transaction Tax Independent Review - Report

I wrote to you in July 2021 to inform you of the arrangements for an independent review of the Land Transaction Tax (LTT) in accordance with the statutory obligation set out in section 77 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017. Following an open tendering process, Alma Economics was appointed in March 2022 to conduct the independent review.

The Committee will wish to be aware Alma Economics has completed the review and its report has been published today on the gov.wales website. The scope of the review focused on significant changes made to the legislation compared to the predecessor tax (stamp duty land tax (SDLT)) to ensure those changes are still appropriate for Wales and included:

- The changes made to LTT (compared to SDLT) and if they've delivered improvements
- Whether the changes make the legislation more appropriate for Wales
- Identifying opportunities for improvement
- Considering operational practicalities
- The impact of the absence of first-time buyers relief in Wales on access to home ownership

I attach a copy of the full report and executive summary. The conclusions and recommendations contained in the report will inform the future development of LTT.

Representatives of Alma Economics have indicated they would be available to attend a future meeting of the Committee to deliver a presentation on the key findings of the report should you find that useful.

Yours sincerely,

Rebecca Evans AS/MS
Minister for Finance and Local Government

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Agenda Item 2.7

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of the Finance Committee

15 February 2023

Dear Peredur,

Scrutiny of the financial implications of Bills

Further to your letter of 19 December 2022 to the First Minister regarding the scrutiny of the financial implications of Government Bills, I have considered the Finance Committee's further request.

I will give a commitment that all Welsh Ministers will endeavour to respond to the Finance Committee's Stage 1 report for Senedd Bills in advance of the General Principles debate on that Bill.

However, Finance Committee will wish to note in giving this commitment, there will be occasions where the detail the Committee is asking for will not be readily available within the timeframe.

The Government continues to follow the requirements of the Senedd's Standing Orders where the financial resolution seeks agreement to the financial implications of a Bill not as introduced, but as amended, after completing its scrutiny journey. In addition, Welsh Ministers will continue to provide the Finance and the policy scrutiny committees with details of where there have been developments or amendments that have significant changes to the financial implications of each Bill.

I have asked my officials to consider further the implications of moving the financial resolution debate to a week after the General Principles debate and the impact this will have going forward on the legislative programme.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Your letter along with this reply has been copied to all Welsh Ministers. This reply will also be issued to the Business Committee and the Chairs of Policy Committees.

Yours sincerely,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

21 February 2023

Dear Peredur,

Further to my recent letter advising you of the Finance: Interministerial Standing Committee Meeting, on 9 February at St Andrew's House, Edinburgh, I would like to briefly report on the discussions. A communique was also published following the meeting: [Finance: Interministerial Standing Committee – February 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/finance-interministerial-standing-committee-february-2023)

Joining me in attendance were The Rt Hon John Glen MP, Chief Secretary to the Treasury (CST), John Swinney MSP, Deputy First Minister and Cabinet Secretary for Covid Recovery (Scottish Government) (Chair). Officials from the Northern Ireland Executive also attended virtually, to observe.

The first part of the meeting focussed on UK economic and fiscal plans where I highlighted the challenges the UK supplementary estimates process presents for the Welsh Government budget and outlined the Welsh Government priorities for the UK Government Spring Budget.

Building on previous discussions around the provision of greater funding certainty and flexibility for devolved governments, and possible adjustments to the current process that will enable me to plan my budget more effectively, I requested the CST continue to look at this issue and I have subsequently followed up my request in a letter.

During the discussions on budgetary pressures, I conveyed the Welsh Government priorities for the forthcoming UK Spring Budget, asking the UK Government to provide the necessary support to protect public services and respond to the inflationary, pay and other cost pressures.

The Prime Minister has identified reducing NHS waiting lists as one of his priorities, and I asked for more clarity on what will be done in the Spring Budget to achieve this, noting that the NHS will be marking 75 years of service in July.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I raised a number of practical suggestions which could support people with the ongoing cost of living crisis, including changes to the deductions policy for Universal Credit claimants. In relation to energy prices, I raised concerns with the level of support for public services, third sector and swimming pools and highlighted that, following the reduction in household energy support, almost half of all households in Wales will now face fuel poverty. I asked the UK Government if more could be done on windfall taxes on energy profits, to ensure reliefs are achieving their intended purposes and any loopholes closed, to help generate additional funding that could be used to support those struggling to meet energy costs.

Finally, I highlighted the challenges the timing of the UK Government Spring Budget presents for Wales, as it will be announced the week following the final passage of our Budget through the Senedd (in order to enable local authorities to set their budgets by the statutory deadline).

The second part of the meeting focussed on EU Replacement Funding, under which I outlined the impact UK Government decisions on replacement EU funding have had on Wales and the financial shortfall of £1.1 billion, providing illustrative examples of the severe impact this loss of funding is having in Wales. I secured agreement from UK and devolved governments to share information on the calculations underpinning the value of replacement EU structural funds and to explore further approaches to work together and ensure greater alignment with devolved government priorities.

Finally, I made the group aware of the recently published interim report by the Independent Commission on the Constitutional Future of Wales, drawing out a number of points that support our case for additional budgetary flexibilities.

The Welsh Government will host the next meeting, in June, which I will Chair.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans." The signature is written in a cursive, flowing style.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Agenda Item 2.9

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1NA

24 February 2023

Dear Peredur,

The Welsh Government's audited Consolidated Annual Accounts for 2021-22 were published in December.

In line with this government's commitment to good practice and transparency, I am now able to provide the Finance Committee with a written report on the 2021-22 final outturn for the Welsh Government, set against spending plans approved in the Second Supplementary Budget 2021-22.

The report and supporting annexes provide a summary of expenditure by portfolio within Treasury control totals, variations compared to the budget, an explanation of significant variances and details of amounts to be carried forward in the Wales Reserve.

I am happy to respond to questions or make the finance director and his staff available to the committee to discuss this issue and the detail of the report, if that would be helpful.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

Welsh Government

Report on Outturn 2021-22

A report from the Minister for Finance and Local Government to the Senedd Finance Committee on the outturn of the Welsh Government 2021-22 set against the planned expenditure contained in the Second Supplementary Budget 2021-22. Published in February 2023.

Contents

1. Introduction	2
2. Main Expenditure Group Outturn 2021-22	3
3. Carry Forward within the Wales Reserve	13
ANNEX 1: Resource DEL Outturn by BEL	16
ANNEX 2: Capital DEL Outturn by BEL	17
ANNEX 3: Annually Managed Expenditure (AME) Outturn by BEL	27

1. Introduction

1.1 This report has been produced in accordance with the protocol endorsed by the National Assembly for Wales on 21 March 2012 regarding changes to the budget motion and their impact on the in-year budget cycle.

1.2 As part of the protocol the Welsh Government agreed:

In line with the Welsh Government's commitment to working openly and transparently, the Welsh Government will provide a written report to the [Finance] Committee on final outturn. The report would include a comparison with the spending plans set out in the last Supplementary Budget of the year and an explanation of significant variations.

1.3 This commitment was reaffirmed in the revised protocol approved by the National Assembly for Wales on 21st June 2017.

1.4 This report addresses that commitment for the financial year 2021-22.

1.5 The Second Supplementary Budget for 2021-22 was approved by the Senedd on 15 March 2022. The final outturn follows publication of the Welsh Government's Consolidated Annual Accounts on 12 December 2022. The accounts are available from the internet link below.

<https://www.gov.wales/welsh-government-consolidated-annual-accounts-2021-2022>

1.6 There were no additional budget allocations from reserves between the publication of the budget and the end of the financial year.

1.7 The outturn is reported on the basis of the Welsh Government budget structure in force at the year end and reported in the audited annual accounts.

2. Main Expenditure Group¹ Outturn 2021-22

- 2.1** The Consolidated Accounts of the Welsh Government contain a Summary of Resource Outturn against the control totals approved in the Second Supplementary Budget motion of 2021-22.
- 2.2** This report provides details of final outturn against the lower-level controls operated and enforced by HM Treasury. These administrative budgets are reported in the documentation and tables which supported the Second Supplementary Budget 2021-22.
- 2.3** In line with previous years, the report also provides explanations for all overspends plus any underspends of greater than 1% of MEG level budgets in each of the control totals (subject to a de-minimis level of £0.5m).
- 2.4** The outturn has been analysed further to the level published in the Second Supplementary Budget 2021-22. The tables published with the budget show a break-down into Budget Expenditure Lines or 'BELs'. The outturn against the budget is provided on this basis in the Annexes to this report.

¹ Main Expenditure Group or MEG is a high-level budget representing a ministerial portfolio or central administration budget.

Resource (Revenue) DEL Outturn

Fiscal Resource DEL²

- 2.5** The Fiscal Resource outturn for the year resulted in an underspend of £218.4m representing a 1.1% variance to budget.
- 2.6** The spend in this budget classification included additional UK government funding of £3,326m for the second year of pandemic response including £485m in funding carried forward from 2020-21.
- 2.7** The Welsh Government allocated £2,817m in Fiscal Resource DEL from the additional funding to MEGs in 2021-22. The outturn is reflected in the figures reported below.
- 2.8** Table 2.1 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 2.1: Fiscal Resource Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Health & Social Services	9,771,781	9,717,959	53,822	0.55
Finance & Local Government	5,044,326	5,019,929	24,397	0.48
Education & Welsh Language	1,950,315	1,932,071	18,244	0.94
Climate Change	978,907	970,128	8,779	0.90
Economy	556,569	453,759	102,810	18.47
Rural Affairs	337,996	338,316	-320	-0.09
Central Services & Administration	323,675	310,201	13,474	4.16
Social Justice	121,827	124,639	-2,812	-2.31
TOTAL	19,085,396	18,867,002	218,394	1.14

- 2.9** The Economy MEG underspend was largely attributable to pandemic funding allocated for business support being lower than expected resulting in a £90m underspend. The demand led nature of the budget made it difficult to estimate the likely outturn. Further underspends were reported against supporting culture and the arts (£2.7m), science and innovation

² Fiscal Resource DEL is a control total set by HM Treasury, is a subset of Resource DEL and is also referred to as 'revenue'.

(£1.5m), major events (£1.7m), skills (£4.5m) and strategy and corporate programmes (£1.7m).

2.10 There was a small overspend in the Rural Affairs MEG. The overspend included offsetting overspends and underspends on several budget lines. The main area of overspend was in protecting animal health and welfare (£5.6m) which included tuberculosis eradication which is a demand led budget and therefore difficult to estimate. The main area of underspend was in direct payment support for farmers (£4.1m), another demand led programme.

2.11 The main element of the Central Services and Administration underspend was an underspend of £11.3m against the EU transition costs budget. There was also an underspend against general administration expenditure of £6.3m which includes management of the Welsh Government estate. These underpends were offset by an overspend on staff costs of £7.6m.

2.12 The Social Justice overspend was principally attributable to a £4m gift payment made from the international development budget to fund the initial Ukraine aid response.

Non-Fiscal Resource DEL³

2.13 The Non-Fiscal Resource DEL budget was underspent by £1,220m, a variance of -0.4% of budget. It is important to note that the Non-Fiscal Resource budget is ring-fenced and cannot be re-directed to Welsh Government spending programmes. These budgets cover accounting adjustments such as depreciation and provision for write-off of student loans.

³ Non-Fiscal Resource DEL is a control total set by HM Treasury that covers annual accounting adjustments for student loan write offs, other write offs and depreciation charges.

2.14 Table 2.2 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 2.2: Non-Fiscal Resource Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Education & Welsh Language	498,702	-723,869	1,222,571	38.16
Climate Change	264,121	259,769	4,352	1.65
Health & Social Services	243,137	249,303	-6,166	-2.54
Central Services & Administration	16,020	17,306	-1,286	-8.03
Economy	11,598	11,376	222	1.91
Rural Affairs	9,354	8,542	812	8.68
Finance & Local Government	212	281	-69	-32.55
Social Justice	149	255	-106	-71.14
TOTAL	1,043,293	-177,037	1,220,330	-0.38

2.15 Most of the Non-Fiscal Resource DEL underspend related to student loans provision within the Education and Welsh Language MEG (£1,222m). The valuation of new and historic loans is determined by a statistical model which provides the amount of annual 'write-off'. This is significantly impacted by social and economic factors. The large underspend in 2021-22 was the result of a change in the HM Treasury discount rate used which changed from 0.7% to -1.1%, illustrating the sensitivity of the data to the variables used in the model.

2.16 The Climate Change MEG budget also included modelling for depreciation of the trunk roads network and Cardiff and Valleys Line rail assets. The outturn calculation from the model produced the variance.

2.17 The overspend reported against the Health and Social Services MEG reflected the requirement to fund a £10.3m inventory write-off of personal protective equipment (PPE) held by NHS Wales Shared Services Partnership. This was offset by underspends in NHS organisations depreciation charges due to delays in purchases and scheme slippage, predominately due to the pandemic.

2.18 The Central Services and Administration MEG budget included provision for the depreciation and impairment of the Welsh Government estate and other assets. The overspend arose due to impairment of asset values in 2021-22 following valuation exercises.

2.19 The Rural Affairs MEG included provision for the depreciation of the agriculture IT system. The small underspend relates to the reduced depreciation requirement for the system.

2.20 The small overspend in the Finance and Local Government MEG was mainly due to an additional depreciation requirement on IT assets of the Welsh Revenue Authority.

2.21 The overspend against the Social Justice MEG was related to depreciation charges which mainly arose from the purchase of IT assets.

Capital DEL Outturn

2.22 An underspend of £1m was reported against Capital DEL budgets representing a 0.03% variance against budget. Capital DEL is split between General Capital and Capital Financial Transactions.

General Capital⁴

2.23 The General Capital DEL outturn for 2021-22 resulted in an overspend of £5m, a variance of -0.2% against budget.

2.24 The spend in this budget classification included £555.9m in additional funding from the UK government for pandemic response.

2.25 Table 2.3 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

⁴ General Capital DEL is a control total set by HM Treasury that covers capital grants and asset additions.

Table 2.3: General Capital Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Climate Change	1,497,352	1,518,244	-20,892	-1.40
Health & Social Services	521,727	524,614	-2,887	-0.55
Finance & Local Government	349,424	350,071	-647	-0.19
Education & Welsh Language	345,808	348,236	-2,428	-0.70
Economy	152,703	139,450	13,253	8.68
Rural Affairs	19,606	11,593	8,013	40.87
Social Justice	18,547	18,447	100	0.54
Central Services & Administration	12,597	12,097	500	3.97
TOTAL	2,917,764	2,922,752	-4,988	-0.17

2.26 The overspend on the Climate Change MEG was the result of offsetting several overs and unders reflecting the diversity of the portfolio. The largest overspend can be attributed to the decision to bring forward investment in rail projects of £84.5m and Transport for Wales spend of £26.4m. There were further overspends reported in housing budgets of £11.8m. These were offset by underspends in resource efficiency and circular economy of £22.3m, energy efficiency of £20.5m, Natural Resources Wales capital programme of £21.6m, land release fund of £7m, residential decarbonisation of £6.3m, flood risk of £4.3m, strategic infrastructure of £3.9m and fuel poverty of £2m.

2.27 The Health and Social Services MEG overspend was the result of the decision to bring forward a small number of strategic building acquisitions across Wales in the last quarter of the financial year.

2.28 The small overspend against the Finance and Local Government MEG was due to the decision to capitalise a Customer Relationship Management system following a review at the year end. The system had been internally developed by the Healthcare Inspectorate for Wales.

2.29 The Education MEG overspend was primarily due to the overspend on administration charges imposed by the Student Loans Company to enable them to deliver statutory student support in Wales.

2.30 The Economy MEG underspend includes two main elements. There was an underspend on the business development budget of £10.2m due to slippage on several projects. There was also an underspend of £10.1m on property infrastructure due to further slippage on three projects. These were offset by underspends on other budgets including the creative sector of £5.4m, which included a land purchase, and Tech Valleys of £2.6m.

2.31 The Rural Affairs MEG underspend included two main elements. The food industry investment budget saw slippage due to an extended appraisals process. The rural development plan saw a further underspend of £2m due to a re-profile of the Farm Business Scheme and the Food Business Investment schemes budgets.

2.32 There was a small underspend reported against the Central Services and Administration MEG which related to slippage on Welsh Government IT systems development.

Capital Financial Transactions⁵

2.33 There was an underspend of £6m on the Capital Financial Transactions (FT) budget equating to a 28.4% variance against the budget.

⁵ Capital Financial Transactions DEL is a control total set by HM Treasury that covers repayable capital (loans and equity).

2.34 Table 2.4 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 2.4: Capital FT Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Climate Change	29,502	28,456	1,046	3.55
Social Justice	5,000	4,997	3	0.06
Education & Welsh Language	827	827	-	-
Finance & Local Government	-20	-	-20	100.0
Economy	-14,197	-19,156	4,959	-34.93
TOTAL	21,112	15,124	5,988	28.36

2.35 The Climate Change MEG underspend included a £0.5m underspend on a strategic infrastructure project due to slippage and a similar amount on the Help to Buy Wales programme funding.

2.36 There is a very small variance against the Finance and Local Government MEG which related to an Invest to Save budget. This was due to the actual receipt being posted against General Capital.

2.37 The Economy MEG underspend was made up of slippage in several business development schemes.

Annually Managed Expenditure (AME) Outturn

2.38 A large proportion of the variance reported in the annual accounts was related to underspends against AME budgets.

2.39 HM Treasury recognise the volatility and demand led basis of certain programmes and the resultant difficulty in estimating costs over a period of time. As a result, these programme budgets are managed on an annual basis and funding cover is generally provided by HM Treasury. Most of the Welsh Government AME budgets cover accounting adjustments and examples include asset impairments, increases in provisions and pension

valuations of sponsored bodies. Student loans issued and repaid are also within this classification. The Welsh Government is unable to recycle underspends against AME programmes.

2.40 Table 2.5 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 2.5: AME Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Education & Welsh Language	887,403	775,306	112,097	12.63
Finance & Local Government	721,500	770,193	-48,693	-6.75
Health & Social Services	437,407	324,222	113,185	25.88
Economy	61,525	-14,703	76,228	>100
Social Justice	26,946	26,896	50	0.19
Climate Change	11,725	-123,333	135,058	>100
Central Services & Administration	3,000	-2,400	5,400	>100
TOTAL	2,149,506	1,756,181	393,325	18.30

2.41 The Education and Welsh Language MEG underspend was related to the student loans budget which covers issues and repayments. The outturn is determined by the Student Loans Company whose calculation of loans issued was lower than we had anticipated at the time of the Second Supplementary Budget.

2.42 The overspend against the Finance and Local Government MEG was due to the non-domestic rates budget. A fall in demand of £47m for rates relief (included in the variance for Fiscal Resource DEL) caused the additional pressure in the AME budget.

2.43 The Health and Social Services MEG underspend included a £68m release of provisions relating to reclassification of general medical practitioner indemnity claims by legal and risk solicitors. It also included an impairment underspend of £46m because of a change in indices used to value the NHS estate provided by the Valuation Office Agency.

2.44 The Economy MEG underspend was because of the final return figures from Welsh Government funded bodies being lower than anticipated. Of this, Careers Wales contributed a credit of £24.6m. Careers Wales are a member of eight different Welsh local government pension schemes, a legacy from its local authority funded past. Consequently, the valuation movement can be highly volatile year on year. The 2021-22 actuarial valuations resulted in the large net credit.

2.45 The Climate Change MEG underspend arose due to fair value adjustments of £27m applied to the Help to Buy Wales scheme following a review at the year end. A further review of Natural Resources Wales returned valuation adjustments of £110m for biological assets held.

2.46 The Central Services and Administration MEG reported an AME underspend of £5.4m. As in previous years, this variance was attributable to provisions for early retirements and other pension charges of Welsh Government staff. The pension charge represents the difference between benefits accrued during the year and financial contributions made into the fund, the latter being very difficult to forecast.

3. Carry Forward within the Wales Reserve

- 3.1** A separate Wales Reserve exists to help manage fluctuations in tax revenue and provides limited ability to carry underspends between years. The Wales Reserve is restricted to a total value of £350m. The amount that can be drawn down each year from the Wales Reserve is limited to £125m Fiscal Resource DEL and £50m Capital DEL.
- 3.2** Table 3 shows the movements on the Wales Reserve in the 2021-22 financial year which are described in the following paragraphs.
- 3.3** Following agreement of the final Wales Reserve balances for 2020-21 with HM Treasury the Fiscal Resource opening balance subsequently decreased by £2.4m.
- 3.4** The balance was further adjusted for the clawback of £153.1m reflecting the adjusted expenditure from 2020-21.
- 3.5** The full available drawdown of £125m Fiscal Resource was included in the Final Budget 2021-22. The maximum available capital of £50m was drawn down from the Capital FT balance in the Second Supplementary Budget. These drawdowns are reflected as movements within the Wales Reserve.
- 3.6** In the Second Supplementary Budget 2021-22 the Welsh Government reported unallocated Capital FT DEL of £158.6m.
- 3.7** The Welsh Government outturns for Fiscal Resource, General Capital and Capital FT DEL documented in this report above are reflected as movements in the Wales Reserve.
- 3.8** The outturns of the other bodies funded from the Wales DEL are also taken account of. These relate to the Senedd Commission, the Public Services Ombudsman for Wales and the Wales Audit Office.

- 3.9** Devolved taxes were anticipated in the Second Supplementary Budget of £2,476.6m. The actual taxes collected amounted to £2,511.6m. The Wales Reserve benefited from the surplus of £35m.
- 3.10** Careful management of resources enabled a reduction in the planned capital borrowing of £113m and financing of capital spend from a revenue to capital switch of £179.6m. Both are reflected as adjustments to the reserve.
- 3.11** Finally, repayable Capital FT DEL is returned to HM Treasury by a reduction of the Wales Reserve balance in accordance with the repayment profile agreed with HM Treasury. For 2021-22 the effective repayment was £171.8m and reflects the decision to use the remaining balance to repay existing loans to HM Treasury early.
- 3.12** Unallocated and unspent Non-Fiscal Resource DEL lapses and cannot be carried forward within the Wales Reserve.

Table 3 Wales Reserve balance including carry forward resulting from Wales DEL outturn 2021-22

Wales Reserve	Fiscal Resource £m	Capital £m	Capital FTs £m	Total £m
Balance at 1 April 2021	448.3	0	57.2	505.5
Adjustment to opening balance	-2.4	0	0	-2.4
Clawback of 2020-21 adjustment	-153.1	0	0	-153.1
Drawdown from the reserve	-125.0	0	-50.0	-175.0
Unallocated DEL in Second Supplementary Budget 2021-22	0	0	158.6	158.6
Welsh Government outturn	218.4	-5.0	6.0	219.4
Other bodies outturn	0.8	0	0	0.8
Devolved taxes outturn	35.0	0	0	35.0
Reduction in borrowing	0	-113.0	0	-113.0
Revenue to capital switch	-179.6	179.6	0	0
Repayment of repayable capital to HM Treasury	0	0	-171.8	-171.8
Balance at 1 April 2022	242.4	61.6	0	304.0

3.13 The total balance within the Wales Reserve at 1 April 2022 was £304m which is within the limit of £350m.

3.14 In the current financial year, the Welsh Government plans to draw upon the Wales Reserve to support spending plans. The maximum amounts are available. The final amounts drawn down were reflected in the Second Supplementary Budget 2022-23.

ANNEX 1: Resource DEL⁶ Outturn by BEL

HEALTH & SOCIAL SERVICES RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Core NHS Allocations	8,729,000	8,679,483	49,517	0.57
Other Direct NHS Allocations	246,724	233,787	12,937	5.24
Digital Health and Care Wales	51,784	50,892	892	1.72
Health Education Improvement Wales	270,343	260,997	9,346	3.46
Public Health Wales	119,439	118,093	1,346	1.13
Workforce (NHS)	34,867	34,252	615	1.76
A Healthier Wales	136,626	110,336	26,290	19.24
Other NHS Budgets (Expenditure)	44,927	-7,805	52,732	117.37
Education and Training	24,451	21,692	2,759	11.28
Workforce Development Central Budgets	1,187	1,654	-467	-39.34
Mental Health	34,526	32,960	1,566	4.54
Substance Misuse Action Plan Fund	28,725	28,883	-158	-0.55
Food Standards Agency	5,110	4,208	902	17.65
Health Promotion	13,210	13,882	-672	-5.09
Targeted Health Protection & Immunisation	12,056	13,489	-1,433	-11.89
Health Improvement & Healthy Working	9,609	6,982	2,627	27.34
Health Emergency Planning	6,007	6,581	-574	-9.56
Safeguarding & Advocacy	2,365	1,895	470	19.87
Older People Carers & People with Disabilities	6,670	8,373	-1,703	-25.53
Partnership & Integration	227	282	-55	-24.23
Care Sector	299	86	213	71.24
Sustainable Social Services	103,435	230,088	-126,653	-122.45
Social Care Wales	22,613	21,557	1,056	4.67
Support for Childcare and Play	86,206	72,326	13,880	16.10
Support for Children's Rights	991	765	226	22.81
Supporting Children	3,865	3,909	-44	-1.14
Support for Families and Children	6,004	4,483	1,521	25.33
CAFCASS Cymru	13,652	13,132	520	3.81
Total Resource	10,014,918	9,967,262	31,553	0.32

⁶ The published budget tables report the Resource DEL total i.e. Fiscal and Non Fiscal.

FINANCE AND LOCAL GOVERNMENT RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Local Govt General Revenue Funding	3,659,542	3,669,647	-10,105	-0.28
Non-Domestic Rates Rates Relief	377,525	330,961	46,564	12.33
Police General Revenue Funding	88,350	88,350	-	-
Local Govt PFI Revenue Consequences	2,992	2,992	-	-
Transformation & Legislation	6,115	5,080	1,035	16.93
Non-Domestic Rates Collection Costs	5,172	5,172	-	-
Emergency Financial Assistance	508,728	533,312	-24,584	-4.83
Valuation Office Agency Services	8,561	8,561	-	-
Valuation Tribunal for Wales	1,040	1,028	12	1.15
Local Taxation Research & Analysis	100	147	-47	-47.00
Cost of Living Support Scheme	177,000	176,971	29	0.02
Local Democracy and Boundary Commission for Wales	598	441	157	26.25
Expenditure to Promote Local Democracy	126	143	-17	-13.49
Election Policy	8,000	3,425	4,575	57.19
Improvement & Support	1,550	1,254	296	19.10
Academi Wales	1,134	833	301	26.54
Community and Town Councils	144	172	-28	-19.44
Public Services Boards	530	442	88	16.60
Children and Communities Grant	149,937	148,619	1,318	0.88
Care Inspectorate Wales	14,233	14,033	200	1.41
Healthcare Inspectorate Wales	4,476	3,930	546	12.20
Estyn - Programme Expenditure	11,223	10,771	452	4.03
Ystadau Cymru	300	9	291	97.00
Welsh Revenue Authority	6,496	6,152	344	5.30
Devolved Taxes	319	307	12	3.76
Cost of Borrowing	2,419	2,411	8	0.33
Economic Research	46	20	26	56.52
Commercial Procurement Programme Funding	1,461	1,904	-443	-30.32
e-procurement	3,000	3,052	-52	-1.73
Invest to Save	-4,138	70	-4,208	101.69
Invest to Save Fund Repayment	7,559	-	7,559	100.00
Total Resource	5,044,538	5,020,209	24,329	0.48

EDUCATION AND WELSH LANGUAGE RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Literacy & Numeracy	8,946	8,885	61	0.68
Curriculum & Assessment	20,703	20,586	117	0.57
Curriculum Reform	20,050	19,257	793	3.96
Teacher Development and Support	62,195	59,269	2,926	4.70
Qualifications Wales	9,617	8,519	1,098	11.42
Qualifications Wales Non Cash	250	220	30	12.00
Further Education Provision	616,110	642,465	-26,355	-4.28
International Learning Exchange Programme	26,000	-	26,000	100.00
HEFCW Programme Expenditure	263,111	263,344	-233	-0.09
HEFCW Capital	90	-	90	100.00
School Improvement Grant	222,790	222,037	753	0.34
Raising School Standards	22,800	21,591	1,209	5.30
School Standards Support	1,504	1,065	439	29.19
Pupil Development Grant	117,480	122,263	-4,783	-4.07
Supporting Digital Learning in Education	4,429	2,947	1,482	33.46
Additional Learning Needs	26,550	31,070	-4,520	-17.02
Food & Nutrition in Schools	13,205	6,779	6,426	48.66
Post 16 Specialist Placements	13,881	12,939	942	6.79
Whole School Approach to Wellbeing	2,226	2,183	43	1.93
Vulnerable Groups	1,150	583	567	49.30
Student Support Grants	361,967	344,414	17,553	4.85
Student Loans Company / HMRC Administration Costs	14,343	20,382	-6,039	-42.10
Student Loans Resource Budget Provision	498,246	-724,151	1,222,397	245.34
Targeted Student Support Awards	1,865	2,370	-505	-27.08
Tackling Disaffection	8,708	8,682	26	0.30
Community Schools	2,600	1,177	1,423	54.73
Offender Learning	7,303	7,303	-	-
Youth Engagement & Employment	13,656	13,698	-42	-0.31
Education Communications	422	448	-26	-6.16
Research Evidence and International	1,074	851	223	20.76
Welsh in Education	15,715	14,856	859	5.47
Welsh Language	21,708	22,428	-720	-3.32
Welsh Language Commissioner	3,207	3,187	20	0.62
Welsh Language Commissioner Non Cash	116	62	54	46.55
Education Infrastructure	45,000	45,800	-800	-1.78
Digital Transformation Programme	-	250	-250	-
Post Compulsory Educ. & Training Reform	-	446	-446	-
Total Resource	2,449,017	1,208,205	1,240,812	50.67

CLIMATE CHANGE RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Environment Legislation & Governance	181	154	27	14.92
Fuel Poverty Programme	2,879	2,754	125	4.34
Welsh Government Energy Service	3,970	3,657	313	7.88
Environment Protection	1,739	1,273	466	26.80
Clean Energy	2,143	1,307	836	39.01
Climate Change Action	2,686	2,201	485	18.06
LEQ & Keep Wales Tidy	375	324	51	13.60
Flood Risk Management & Water Revenue	30,515	28,096	2,419	7.93
Landfill Disposals Tax Communities Scheme	1,500	1,702	-202	-13.47
Enabling Natural Resources	2,614	2,310	304	11.63
Biodiversity, Evidence and Plant Health	4,294	3,081	1,213	28.25
Forestry	1,536	1,677	-141	-9.18
Environment Act Implementation	791	867	-76	-9.61
Natural Resources Wales	70,217	96,444	-26,227	-37.35
Environment Management (Pwllperian)	38	-7	45	118.42
Resource Efficiency and Circular Economy	43,681	43,962	-281	-0.64
Landscape & Outdoor Recreation	11,416	11,403	13	0.11
Marine Policy, Evidence and Funding	1,501	1,017	484	32.25
Homelessness	18,469	11,984	6,485	35.11
Housing Policy	4,884	5,067	-183	-3.75
Housing Support Grant	166,763	164,258	2,505	1.50
Building Safety	5,545	1,522	4,023	72.55
Housing Finance Grant	13,100	13,080	20	0.15
Housing Programme Revenue Funding	1,073	805	268	24.98
Land Release Fund	776	163	613	78.99
Regeneration	560	1,368	-808	-144.29
Cardiff Harbour Authority	5,400	5,210	190	3.52
Planning & Regulation Expenditure	3,597	2,378	1,219	33.89
Planning and Environment Decisions Wales	1,499	1,274	225	15.01
Centre for Digital Public Services	5,752	5,744	8	0.14
Public Sector Broadband Aggregation	11,500	10,365	1,135	9.87
Strategic Infrastructure Development	990	1,701	-711	-71.82
ICT Infrastructure Operations	1,752	549	1,203	68.66
ICT Infrastructure Operations - Non Cash	2,309	1,991	318	13.77
Network Asset Management	10,436	10,883	-447	-4.28
Network Operations	65,298	69,784	-4,486	-6.87
Network Operations Non Cash	203,691	186,451	17,240	8.46
Aviation	13,490	11,507	1,983	14.70
National Transport Infrastructure	650	6,833	-6,183	-951.23
Rail Ancillary	850	689	161	18.94
Transport for Wales	358,136	355,822	2,314	0.65
Bus Support	91,355	87,144	4,211	4.61
Smartcards	1,466	203	1,263	86.15
Concessionary Fares	60,482	60,410	72	0.12
Youth Discounted Travel Scheme	2,000	2,075	-75	-3.75
Sustainable & Active Travel	2,450	1,597	853	34.82
Road Safety	6,679	6,927	-248	-3.71
Increase the Supply & choice of Mkt Hsg	-	168	-168	-
Local Transport Priorities	-	53	-53	-
Infrastructure Development	-	-4	4	-
Social Housing Grants	-	-12	12	-
Land for Housing	-	-285	285	-
Total Resource	1,243,028	1,229,926	13,102	1.05

ECONOMY RESOURCE BELS				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Business and Regional Economic Development	188,873	98,751	90,122	47.72
Entrepreneurship	3,639	4,613	-974	-26.77
Social Enterprise and Economy	730	808	-78	-10.68
Business Wales	8,247	7,175	1,072	13.00
Tech Valleys	2,250	3,352	-1,102	-48.98
Valleys Task Force	334	218	116	34.73
Export, Trade and Inward Investment	4,692	4,010	682	14.54
Property Infrastructure	6,690	6,652	38	0.57
Healthy Working Wales	771	691	80	10.38
Corporate Programmes & Services	861	482	379	44.02
Strategic Business Events and Communications	200	8	192	96.00
Work Based Learning	116,598	115,732	866	0.74
Marketing Skills	648	617	31	4.78
Employability and Skills	50,663	48,547	2,116	4.18
Communities for Work	8,808	8,464	344	3.91
Careers Wales	20,453	19,597	856	4.19
Business Innovation	604	345	259	42.88
Science	1,350	941	409	30.30
Life Sciences	2,200	1,567	633	28.77
Tourism	13,082	12,807	275	2.10
Events Wales	4,613	3,209	1,404	30.44
Arts Council of Wales	45,742	44,284	1,458	3.19
Amgueddfa Cymru - National Museums of Wales	27,110	27,492	-382	-1.41
National Library of Wales	12,894	13,167	-273	-2.12
Support for Local Culture and Sport	35,472	31,935	3,537	9.97
Creative Wales	6,308	8,149	-1,841	-29.19
Books Council of Wales	3,930	4,340	-410	-10.43
Cadw	15,560	14,088	1,472	9.46
National Botanic Garden of Wales	777	545	232	29.86
Royal Commission on the Ancient and Historical Monuments of Wales	1,764	1,638	126	7.14
Sport Wales	27,597	27,171	426	1.54
European Regional Development Fund	-47,000	-46,991	-9	0.02
Programme Support	1,707	1,707	-	-
Business Finance (FW) Funds	-	-986	986	-
European Social Fund	-	1	-1	-
Match Funding	-	2	-2	-
Progress For Success	-	7	-7	-
Total Resource	568,167	465,135	103,032	18.13

RURAL AFFAIRS RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Strategy and Government Relations	2,834	2,795	39	1.38
Agriculture Strategy	400	52	348	87.00
Local Authority Framework Funding	200	200	-	-
Agriculture Customer Engagement	400	254	146	36.50
County Parish Holdings Project	500	1,093	-593	-118.60
EID Cymru	2,641	674	1,967	74.48
Livestock Identification	1,647	1,523	124	7.53
Technical Advice Services	358	345	13	3.63
Commons Act	433	102	331	76.44
Agriculture EU Pillar 1 Direct Payments	238,000	231,630	6,370	2.68
Common Agriculture Policy IT	3,548	-	3,548	100.00
Single Payment Scheme Administration	12,048	16,333	-4,285	-35.57
Rural Economic and Sustainability Programme	6,820	310	6,510	95.45
Rural Development Plan 2014-20	26,502	36,900	-10,398	-39.23
Research & Evaluation	520	673	-153	-29.42
EU Funded Fisheries Schemes	565	2,036	-1,471	-260.35
Fisheries	4,975	2,309	2,666	53.59
Promoting Welsh Food and Industry Development	13,200	12,220	980	7.42
Animal Health & Welfare Framework	108	510	-402	-372.22
Animal and Plant Health Agency	15,281	18,143	-2,862	-18.73
TB Slaughter Payments Costs & Receipts	8,810	13,621	-4,811	-54.61
TB Eradication	7,560	6,204	1,356	17.94
TB EU INCOME	-	-1,093	1,093	-
Old RPD Programme	-	25	-25	-
Total Resource	347,350	346,859	491	0.14

SOCIAL JUSTICE RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Financial Inclusion	27,962	29,480	-1,518	-5.43
Digital Inclusion	2,399	1,837	562	23.43
Supporting Communities	1,993	3,188	-1,195	-59.96
International Development	2,183	6,142	-3,959	-181.36
Social Partnerships	526	257	269	51.14
Fire & Rescue Services	8,405	8,446	-41	-0.49
Fire & Rescue Services - Communication Systems	3,915	2,291	1,624	41.48
Community Fire Safety	848	1,178	-330	-38.92
Older People Commissioner	1,589	1,475	114	7.17
Children's Commissioner	1,580	1,502	78	4.94
Future Generations Commissioner Wales	1,509	1,850	-341	-22.60
Violence against Women, Domestic Abuse and Sexual Violence	7,825	7,790	35	0.45
Equality, Inclusion and Human Rights	9,231	8,887	344	3.73
Chwarae Teg	360	367	-7	-1.94
Advice Services	13,297	12,308	989	7.44
Support for the Voluntary Sector and Volunteering	16,494	17,097	-603	-3.66
Community Support and Safety	20,785	20,038	747	3.59
Female Offending and Youth Justice Blueprints	1,075	762	313	29.12
Total Resource	121,976	124,895	-2,919	-2.39

CENTRAL SERVICES AND ADMINISTRATION RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Staff Costs	225,022	232,656	-7,634	-3.39
General Administration Expenditure	40,087	35,058	5,029	12.55
IT Costs	14,677	14,398	279	1.90
Enabling Government	1,986	1,846	140	7.05
Improve Economic & Labour Market Statistics	2,046	1,807	239	11.68
Geographical Information	719	895	-176	-24.48
Data Science	500	388	112	22.40
Central Research	1,925	2,049	-124	-6.44
Constitutional Commission	400	260	140	35.00
Tribunals	4,183	4,070	113	2.70
Justice Commission in Wales	490	330	160	32.65
Public Policy Institute	450	450	-	-
Elections	9,500	10,066	-566	-5.96
Events & Corporate Communications	356	369	-13	-3.65
Investigations	1,130	488	642	56.81
Central EU Transition Costs	22,737	11,463	11,274	49.58
International Relations	8,554	5,861	2,693	31.48
Cyber Resilience	4,933	4,933	-	-
Senedd Reform	-	75	-75	-
Civil Contingencies & National Security	-	45	-45	-
Total Resource	339,695	327,507	12,188	3.59

ANNEX 2: Capital DEL⁷ Outturn by BEL

HEALTH & SOCIAL SERVICES CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Core NHS Allocations	457,039	468,568	-11,529	-2.52
Targeted NHS Services	829	-	829	100.00
Substance Misuse Action Plan Fund	5,072	2,674	2,398	47.28
Research and Development	45,275	45,227	48	0.11
Support for Childcare and Play	9,000	7,806	1,194	13.27
Health Emergency Planning	4,492	-31	4,523	100.69
Social Care Wales	20	371	-351	-1,755.00
Total Capital	521,727	524,615	-2,888	-0.55

FINANCE AND LOCAL GOVERNMENT CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
City & Growth Deals	65,531	65,531	-	-
Local Govt General Capital Funding	267,837	267,837	-	-
Emergency Financial Assistance	19,037	19,005	32	0.17
Estyn - Programme Expenditure	281	165	116	41.28
Invest to Save Fund Repayment	-3,282	-3,218	-64	1.95
Invest to Save	-	210	-210	-
Welsh Revenue Authority	-	66	-66	-
Healthcare Inspectorate Wales	-	413	-413	-
Care and Social Services Inspectorate	-	62	-62	-
Total Capital	349,404	350,071	-667	-0.19

EDUCATION AND WELSH LANGUAGE CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Curriculum & Assessment	5,500	5,500	-	-
Education Infrastructure	320,695	320,671	24	0.01
Supporting Digital Learning in Education	7,410	7,462	-52	-0.70
Further Education Provision	13,000	13,067	-67	-0.52
Welsh Language Commissioner	30	246	-216	-720.00
Qualifications Wales	-	251	-251	-
SLC/HMRC Administration Costs	-	1,865	-1,865	-
Total Capital	346,635	349,062	-2,427	-0.70

⁷ The published budget tables report the Capital DEL total i.e. General Capital and Capital Financial Transactions.

CLIMATE CHANGE CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Fuel Poverty Programme	27,000	25,022	1,978	7.33
Green Infrastructure	1,402	893	509	36.31
Welsh Government Energy Service	27,576	17,188	10,388	37.67
Environmental Protection	17,095	7,468	9,627	56.31
Flood Risk Management & Water Revenue	51,100	46,764	4,336	8.49
Enabling Natural Resources	6,423	724	5,699	88.73
Biodiversity, Evidence and Plant Health	12,100	12,789	-689	-5.69
Forestry	4,500	677	3,823	84.96
Natural Resources Wales	2,466	-10,344	12,810	519.46
Resource Efficiency and Circular Economy	30,400	8,064	22,336	73.47
Landscape & Outdoor Recreation	8,900	8,830	70	0.79
Homelessness	5,170	5,971	-801	-15.49
Rapid Response Adaption Programme	17,660	22,059	-4,399	-24.91
Integrated Care Fund	38,186	38,920	-734	-1.92
Major Repairs Allowance and Dowry Gap Funding	108,000	104,200	3,800	3.52
Residential Decarbonisation and Quality	50,000	43,654	6,346	12.69
Social Housing Grants (SHG)	269,999	274,787	-4,788	-1.77
Land for Housing	10,000	10,000	-	-
Land Release Fund	33,560	26,565	6,995	20.84
Building Safety	20,000	26,680	-6,680	-33.40
Help to Buy Wales Fund and Other Schemes	10,202	9,671	531	5.20
Regeneration	54,108	55,156	-1,048	-1.94
Public Sector Broadband Aggregation	1,500	2,691	-1,191	-79.40
Strategic Infrastructure Development	4,200	4,802	-602	-14.33
ICT Infrastructure Operations	28,993	22,754	6,239	21.52
Network Operations	134,497	133,806	691	0.51
Aviation	5,297	8,290	-2,993	-56.50
National Transport Infrastructure	100,100	101,793	-1,693	-1.69
Transport for Wales	286,605	313,036	-26,431	-9.22
Smartcards	1,000	-	1,000	100.00
Local Transport Priorities	51,000	67,655	-16,655	-32.66
Sustainable and Active Travel	100,915	65,834	35,081	34.76
Road Safety	6,900	5,869	1,031	14.94
Rail Ancillary	-	84,456	-84,456	-
Bus Support	-	-32	32	-
Total Capital	1,526,854	1,546,692	-19,838	-1.30

ECONOMY CAPITAL BELS				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Business and Regional Economic Development	28,030	12,858	15,172	54.13
Tech Valleys	7,750	10,374	-2,624	-33.86
Valleys Task Force	5,890	6,036	-146	-2.48
Business Finance Funds	-20,000	-20,000	-	-
Careers Wales	1,200	1,288	-88	-7.33
Property Infrastructure	20,386	10,301	10,085	49.47
Business Innovation	21,966	23,109	-1,143	-5.20
Science	4,874	3,387	1,487	30.51
Life Sciences	801	211	590	73.66
Tourism	987	-158	1,145	116.01
Arts Council of Wales	2,075	1,583	492	23.71
Amgueddfa Cymru - National Museums of Wales	6,697	6,274	423	6.32
National Library of Wales	4,695	4,101	594	12.65
Support for Local Culture and Sport	1,430	2,011	-581	-40.63
Creative Wales	10,424	15,868	-5,444	-52.23
Books Council of Wales	180	180	-	-
Cadw	8,431	8,745	-314	-3.72
National Botanic Garden of Wales	1,725	1,725	-	-
RCAHM Wales	15	7	8	53.33
Sport Wales	13,177	12,786	391	2.97
Sports Capital Loans Scheme	17,773	17,762	11	0.06
Export, Trade and Inward Investment	-	1,892	-1,892	-
Business Wales	-	-46	46	-
Total Capital	138,506	120,294	18,212	13.15

RURAL AFFAIRS CAPITAL BELS				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Strategy and Government Relations	150	52	98	65.33
EID Cymru	2,100	1,906	194	9.24
Commons Act	1,200	82	1,118	93.17
Common Agriculture Policy IT	1,505	3,529	-2,024	-134.49
Rural Development Plan 2014-20	9,418	7,460	1,958	20.79
EU Funded Fisheries Schemes	233	-321	554	237.77
Fisheries	1,000	362	638	63.80
Promoting Welsh Food and Industry Development	4,000	-1,473	5,473	136.83
Old RDP Programme	-	-4	4	-
Total Capital	19,606	11,593	8,013	40.87

SOCIAL JUSTICE CAPITAL BELS				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Supporting Communities	1,588	1,861	-273	-17.19
International Development	592	637	-45	-7.60
Fire & Rescue Services	1,000	1,639	-639	-63.90
Fire & Rescue Services - Communication Systems	210	210	-	-
Community Fire Safety	670	924	-254	-37.91
VWDA and Sexual Violence	2,169	2,134	35	1.61
Female Offending and Youth Justice Blueprints	480	480	-	-
Gypsy Traveller Sites	3,500	2,499	1,001	28.60
Community Facilities Programme	13,338	12,619	719	5.39
Financial Inclusion	-	349	-349	-
Children's Commissioner	-	53	-53	-
Older Peoples Commissioner	-	38	-38	-
Total Capital	23,547	23,443	104	0.44

CENTRAL SERVICES AND ADMINISTRATION CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
General Administration Expenditure	7,089	6,934	155	2.19
IT Costs	4,882	4,751	131	2.68
Enabling Government	626	412	214	34.19
Total Capital	12,597	12,097	500	3.97

ANNEX 3: Annually Managed Expenditure (AME) Outturn by BEL

HEALTH & SOCIAL SERVICES AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
NHS Impairments and Provisions	437,407	324,222	113,185	25.88
Total AME	437,407	324,222	113,185	25.88

FINANCE AND LOCAL GOVERNMENT AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Non-Domestic Rates Distributable Amount - AME	721,500	770,193	-48,693	-6.75
Total AME	721,500	770,193	-48,693	-6.75

EDUCATION AND WELSH LANGUAGE AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Student Loans - AME	887,403	775,306	112,097	12.63
Total AME	887,403	775,306	112,097	12.63

CLIMATE CHANGE AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Help to Buy Wales - AME	9,725	-15,358	25,083	257.92
Transport for Wales - AME	2,000	1,994	6	0.30
NRW Provision for Pensions - AME	-	-109,969	109,969	-
Total AME	11,725	-123,333	135,058	1,151.88

ECONOMY AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Property Related Infrastructure Impairment - AME	17,525	7,455	10,070	57.46
Careers Wales - AME	15,000	-24,644	39,644	264.29
National Museums of Wales Pension Provision - AME	15,000	2,395	12,605	84.03
National Library of Wales Pension Provision - AME	9,000	-145	9,145	101.61
Sport Wales Pension Provision - AME	5,000	236	4,764	95.28
Total AME	61,525	-14,703	76,228	123.90

SOCIAL JUSTICE AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
Fire Service Pensions - AME	26,946	26,896	50	0.19
Total AME	26,946	26,896	50	0.19

CENTRAL SERVICES AND ADMINISTRATION AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend	
			£000s	%
CSA Pensions Provisions - AME	3,000	-2,400	5,400	180.00
Total AME	3,000	-2,400	5,400	180.00

Document is Restricted

Document is Restricted