

Finance Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date:

Wednesday, 2 July 2014

Meeting time:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

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Agenda

1 Introductions, apologies and substitutions (09:00)

2 Scrutiny of Supplementary Budget Motion 2014–2015 (09:00–10:00)

(Pages 1 – 72)

FIN(4)–13–14(paper 1)

FIN(4)–13–14(paper 2)

FIN(4)–13–14(paper 3)

Research Brief

Jane Hutt AM – Minister for Finance

Jo Salway – Deputy Director, Strategic Budgeting, Welsh Government

Matt Denham–Jones – Head of Budgetary Control and Reporting, Welsh Government

Jeff Andrews – Specialist Policy Adviser

3 Welsh Government Draft Budget 2015–16 (10:00–10:30) (Pages 73 – 76)

Research Brief

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4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: (10:30)

Items 5 & 6

5 Scrutiny of Supplementary Budget Motion 2014–2015: Consideration of evidence received (10:30–11:15)

6 Forward Work Programme: Autumn 2014 (11:15–12:00) (Pages 77 – 85)
FIN(4)–13–14 (paper 4)

Supplementary Budget Motion 2014-15

Laid Before the National Assembly for Wales by the Minister for Finance

June 2014

Supplementary Budget Motion**The Assembly is asked to agree the following:**

“1. This resolution for the year ending 31 March 2015 is made by the National Assembly for Wales (“the Assembly”) pursuant to Section 126 of the Government of Wales Act 2006.

Welsh Assembly Government

2. The Welsh Assembly Government is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2015 for the services and purposes specified in Column 1 of Schedule 1, up to a maximum of the corresponding amounts specified in Column 2 of that Schedule;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of each Part of Schedule 2, during the financial year ending 31 March 2015, for use on the services and purposes specified in the corresponding entries in Column 2 of each Part of that Schedule, up to the limit specified for each Part of that Schedule; and

(c) to draw cash out of the Welsh Consolidated Fund for use on the services and purposes specified in Schedule 1, up to the net cash requirement limit specified in Schedule 5.

3. Despite paragraphs 2(a) and (b), the resources which may be used for the services and purposes specified in Column 1 of Schedule 1 (or, as the case may be, in Column 2 of each Part of Schedule 2), may exceed the amount specified in the corresponding entry in Column 2 of Schedule 1 (or, as the case may be, in each Part of Schedule 2) if-

(a) in the case of resources other than accruing resources, the first condition is met, or

(b) in the case of accruing resources, the second condition is met.

4. The first condition is that the total resources (other than accruing resources) used during the financial year ending 31 March 2015 for all services and purposes specified in Column 1 of Schedule 1 does not exceed the total of the sum of the amounts specified in Column 2 of that Schedule.

5. The second condition is that the total accruing resources used during the financial year ending 31 March 2015 for all services and purposes specified in Column 2 of Schedule 2 does not exceed the total of the sum of the amounts specified for each part of that Schedule.

Assembly Commission

6. The Assembly Commission is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2015 for the services and purposes specified in Column 1 of Part 1 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 1 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 1 of Schedule 4, during the financial year ending 31 March 2015, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 1 of that Schedule, up to the limit specified for Part 1 of that Schedule; and

(c) to draw cash out of the Welsh Consolidated Fund for use on the services and purposes specified in Column 1 of Part 1 of Schedule 3, up to the net cash requirement limit specified in Schedule 5.

Public Services Ombudsman for Wales

7. The Public Services Ombudsman for Wales is authorised –

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2015 for the services and purposes specified in Column 1 of Part 2 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 2 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 2 of Schedule 4, during the financial year ending 31 March 2015, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 2 of that Schedule, up to the limit specified for Part 2 of that Schedule; and

(c) to draw cash out of the Welsh Consolidated Fund for use on the services and purposes specified in Column 1 of Part 2 of Schedule 3, up to the net cash requirement limit specified in Schedule 5.

Auditor General for Wales

8. The Auditor General for Wales is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2015 for the services and purposes specified in Column 1 of Part 3 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 3 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 3 of Schedule 4, during the financial year ending 31

March 2015, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 3 of that Schedule, up to the limit specified for Part 3 of that Schedule; and

(c) to draw cash out of the Welsh Consolidated Fund for use on the services and purposes specified in Column 1 of Part 3 of Schedule 3, up to the net cash requirement limit specified in Schedule 5.

Specification of Categories of Accruing Resources

9. The categories of accruing resources listed in Column 1 of each Part of Schedule 2, and in Column 1 of each part of Schedule 4, are specified categories for the purposes of section 120(2)(a) of the Act.”

Summary of Resource and Capital Requirements

Welsh Ministers

Ambit	Resources (£000)	Accruing Resources (£000)
Health and Social Services	5,350,137	997,309
Local Government	3,574,929	300
Communities and Tackling Poverty	212,696	0
Economy, Science and Transport	980,959	42,393
Education and Skills	1,995,496	147,750
Natural Resources and Food	402,879	353,795
Housing and Regeneration	431,299	73,000
Culture and Sport	133,892	5,338
Central Services and Administration	347,975	361,644
Total Resources Requested and Accrued Income relating to Welsh Ministers	13,430,262	1,981,529

Direct Funded Bodies

Ambit	Resources (£000)	Accruing Resources (£000)
National Assembly for Wales Commission	51,348	250
Public Services Ombudsman for Wales	4,023	6
Auditor General for Wales	5,974	17,639
Total Resources and Accrued Income for Direct Funded Bodies	61,345	17,895

Schedule 1 – Ambits for expenditure incurred by Welsh Ministers

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Health and Social Services</p> <p>For use by Welsh Ministers to spend on Health and Social Services including promoting or improving economic, social or environmental wellbeing.</p> <p>Resource and capital funding for Local Health Boards and Welsh NHS Trusts and associated healthcare providers; Public Dividend Capital to NHS Trusts; loans to NHS Trusts; payments for contracted services including dentistry, ophthalmic and pharmaceutical services; general medical services, support for education and training; research and development; mental health services; chronic disease treatment; and measures to combat Inequalities in Health; funding for the Welsh Risk Pool; funding for support for children and their families, including children and families organisations; Grants to deliver the Substance Misuse strategy and support for the Food Standards Agency; support for older person's services and for social services and carers; social services improvement (including the funding of the Association of Directors of Social Services (ADSS) Cymru and Social Care Institute for Excellence (SCIE); for the Care Council for Wales; the National Institute for Health and Clinical Excellence (NICE); the Older People's Commissioner; and contributions to UK health and social care bodies.</p> <p>Funding for the Children and Family Court Advisory and Support Service (CAFCASS) Cymru; funding for services provided to or on behalf of the Scottish Government, Northern Ireland Executive and Department of Health; services for the improvement of health and the prevention, diagnosis and treatment of illness; and any related expenditure and non cash resource use.</p>	<p>5,350,137</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Local Government</p> <p>For use by Welsh Ministers to spend on promoting economic, social and environmental wellbeing in the areas of local government and public service delivery and the promotion of community safety. The unhypothecated and hypothecated funding of local government unitary authorities; police and crime commissioners and fire and rescue service authorities through unhypothecated grant funding by means of revenue support grant, redistributed national non-domestic rates (NNDR) and general capital funding or discrete resource and capital grant funding for specific policy purpose relevant to the above areas of activity. The funding and sponsorship of public bodies and nonstatutory organisations with functions relating to the audit, regulation and inspection; the promotion and representation of democracy; the performance development and change management; the promotion and maintenance of standards and accountability (including appellate functions); the delivery of outcomes; and the improvement of performance in respect of local government. Funding for the programme, staffing and general administrative costs (including leasing costs) of the Care and Social Services Inspectorate and the Healthcare Inspectorate Wales, Sponsorship of Estyn including staff costs and general administrative expenditure and depreciation and any related expenditure and non cash resource use. Funding Community Safety Partnerships in respect of community safety and development; work to support the armed forces, veterans and their families; the combating of domestic abuse and sexual violence; and the prevention of young people from offending, and related expenditure and non cash resource use. Matched funding under Priority 4 of the European Social Fund and support for the Valuation Office Agency.</p>	<p>3,574,929</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Communities and Tackling Poverty</p> <p>For use by Welsh Ministers to spend on promoting economic, social and environmental well being in the areas of Supporting Communities and People including the regeneration and development of communities, the funding of Third Sector organisations; Tackling Poverty initiatives; support the Communities First Programme; community development; development of voluntary organisations and volunteering; financial inclusion including credit unions; digital inclusion; post offices; Criminal Records Bureau checks; and welfare reform projects funding and administration.</p> <p>Funding for support for children and their families, including funding for Flying Start, Families First, the Children's Commissioner for Wales, child poverty strategies, childcare, play, children and young people's rights, participation and advocacy, children and families organisations, support for local authorities, the third and private sectors for childcare purposes and support for out of school and 'wrap-around' childcare.</p> <p>Funding for the support and promotion of Sustainable Development and Equality, Diversity and Inclusion including matters relating to programme funding for equality and equal opportunities; for improving social inclusion and social justice and community cohesion; projects and initiatives of the Welsh Government Sustainable Development Policy, Scheme and charter; and any other related expenditure and non-cash resource use.</p>	<p>212,696</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Economy, Science & Transport</p> <p>For use by Welsh Ministers on Economy, Science and Transport including promoting economic, social or environmental wellbeing.</p> <p>For the provision of resource and capital funding to assist the establishment, growth, development and sustainability of business and tourism in Wales, the development and maintenance of transport and infrastructure and any other related expenditure and non cash resource use that provides broader economic benefit to Wales.</p> <p>Resource and capital funding for road transport, including construction, operation, maintenance and improvement of trunk roads in Wales; delivery of passenger rail and air services; road safety; regulation of pedestrian crossing and on-street parking; funding and administration of programmes to local authorities and other bodies designed to deliver a range of transport schemes and services including concessionary fares; support for the promotion and development of walking and cycling; and related expenditure and non cash resource use. Capital repayments to the National Loans Fund.</p>	980,959

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Education and Skills</p> <p>For use by Welsh Ministers on Education and Skills to fund: improving literacy and numeracy; extending entitlement and 14-19 learning pathways; the Foundation Phase; curriculum improvements support for Techniquet; teacher training, development and support; qualification development and regulation; resource provision for post-16 education and training including further education and work based learning; capital and resource funding for the Higher Education Funding Council for Wales; support for undergraduate medical education; schools performance improvement; the funding of inspections; support for improving standards and school effectiveness; school uniform grant; pupil deprivation grant; capital and resource funding for IT development in learning; capital to support the school and post-16 infrastructure; skills development and workplace learning; careers advice services; support for the Youth Service; support for young people not in employment, education or training; inclusion and additional learning needs; provision of school milk; learner and student finance including Student Loans Company costs and Education Maintenance Allowances; tackling disaffection; bilingual learning; support for the Welsh Language Commissioner and projects which promote the Welsh Language; support for international education initiatives; educational research and evaluation; promotion of education and skills; associated non cash items and any related expenditure and non cash resource use.</p>	1,995,496

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Natural Resources and Food</p> <p>For use by Welsh Ministers on Natural Resources and Food, including farming and rural affairs, animal health, marine, fisheries, environment and energy, including renewable energy, promoting or improving economic, social or environmental wellbeing; providing funding to support the work of Natural Resources Wales to ensure that the environment and natural resources of Wales are sustainably managed, enhanced and used; provide funding, advice and administrative support for local authorities, agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Natural Resources and Food; promote and deliver sustainability, climate change and environment quality; support and promote low carbon energy generation; energy efficiency and sustainable management of water resources and improvements in water quality; provide and fund water and sewerage services, flood and coastal protection and risk prevention measures; provide funding and loan support and advice relating to climate change, energy efficiency, fuel poverty, water and flood and coastal erosion risk management; provide funding, support and advice relating to the sustainable management of waste and resources; waste prevention, disposal, collection and management, recycling schemes, street cleansing and landfill tax credits; manage radioactivity, environmental pollution, environment quality and noise pollution; promotion of biodiversity, natural resource management and ecosystem services, promotion and publicity and services in connection with Natural Resources and Food and any related expenditure and non cash resource use; conservation; animal, fish and plant health; seeds, pesticides and GM crops; public health; compensation for livestock; animal welfare activities (including fish); specialist information and advice and services; disease surveillance activities; information technology development; match funding for European programmes; funding for committees and enquiries into issues in connection with Natural Resources and Food; support for land management and woodland measures; including expenditure under the Rural Development Plan; EU funded woodland grants; research, monitoring and evaluation in connection with Natural Resources and Food, Fisheries and Marine activities; measures to mitigate greenhouse gas emissions from the land based sector; and any related or incidental expenditure including any legal expenditure and non cash resource use.</p>	402,879

<p>The administration and delivery of EC structural funded projects, including European funding to support farmers in Wales via direct payments. The management and enforcement of fisheries in Wales. Support for the third sector in relation to Natural Resources and Food.</p>	
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<p>Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)</p>	
<p><i>Column 1</i></p>	<p><i>Column 2</i></p>
<p><i>Services and purposes</i></p>	<p><i>Amount £000</i></p>
<p>Housing and Regeneration</p> <p>For use by Welsh Ministers on Housing and Regeneration including promoting or improving culture and economic, social or environmental wellbeing; provide funding, advice and administrative support for local authorities; agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Housing, Regeneration, Planning and building regulations; improve the supply and quality of housing across Wales, including the standard of local authority and social landlord housing, and improve housing-related services; acquisition, leasing, development and maintenance of land and buildings; housing stock transfers, community mutual support and capacity building; social housing; support for physical regeneration including housing renewal areas and licensing houses in multiple occupation; supporting people; preventing and addressing homelessness; providing grants for adaptations and facilities to enable people to remain in their own homes; regulation and inspection of registered social landlords; Regeneration policy and administration of policies and grants including promoting economic, social and environmental wellbeing for business, individuals, communities and places in Wales; transpose and implement UK, European and international legislation and obligations; administration and delivery of EC structural funded projects; carry out investigations, research, and evaluation; promotion, publicity and services; develop and monitor planning and building regulations, legislation, policy, procedures, technical advice and standards; commissioning research, publishing reports and guidance; determining appeals and other casework, and sponsorship of the Planning Inspectorate; providing grant in aid funding and support, including the Aggregates Levy Fund; and non cash resource use.</p>	<p>431,299</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Culture and Sport</p> <p>For use by Welsh Ministers to spend on Culture and Sport, including promoting and improving culture and economic, social or environmental wellbeing; providing funding, advice and administrative support for local authorities; agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Culture, Sport, landscape and outdoor recreation; administration of policies and grants including promoting economic, social and environmental wellbeing for business, individuals, communities and places in Wales; transpose and implement UK, European and international legislation and obligations; administration and delivery of EC structural funded projects; carry out investigations, research and evaluation; promotion, publicity and services; provide financial assistance to support culture, sport, media, publishing, landscape and the development of facilities for, and the promotion of outdoor recreation and green spaces, and historic environment including funding Amgueddfa Cymru – National Museum of Wales; funding to the National Library of Wales; funding for the Arts Council of Wales; funding for the National Parks; funding for the National Botanic Garden of Wales; funding for Sports Wales and organisations that promote sport and active lifestyles throughout Wales; funding to support the provision of policy directions to Lottery distributors; funding to support non national museums, archives and libraries and local and national projects which seek to promote and widen access to cultural treasures; conserving, protecting, sustaining and presenting the historic environment of Wales to achieve an accessible, well protected historic environment including current expenditure and the associated running costs and staff costs of Cadw and capital expenditure for grants and for the acquisition of capital assets; funding the Royal Commission for Ancient and Historic Monuments in Wales; any expenditure relating to conserving, protecting, sustaining and presenting archaeological remains in Wales, ancient monuments in Wales, buildings and places of historical or architectural interest in Wales, and historic wrecks in Wales; any expenditure on arts and crafts relating to Wales, and on cultural activities and projects relating to Wales’ National Parks; and any related expenditure and non cash resource use.</p>	<p>133,892</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Central Services and Administration</p> <p>For use by the Welsh Assembly Government on administration expenditure and running costs including: staff costs and expenses; the running costs and investment for the civil estate; general administrative expenditure; expenditure on IT and communications; expenditure on business improvement programmes; other administrative resource and capital expenditure; public appointments; enabling and promoting open government; supporting research and evaluation; promoting economic, physical social or environmental wellbeing; managing corporate internal communications events and external communication of Government policy and actions; funding for inter-governmental relations, including the British Irish Council, and constitutional development, including costs of any referendum; hosting events of national importance; the costs of public inquiries; the cost of tribunals; funding to public sector bodies for achieving efficiency gains; funding Value Wales, Xchange Wales and Public Service Management Wales; payments to support overseas development and links; grants and financial support to other public sector organisations; support to EU funded projects; the administration and delivery of EC structural funded projects; and any related expenditure and non cash resource use.</p>	347,975

Schedule 2 – Use of accruing resources by Welsh Ministers

Part 1: Health and Social Services

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and purposes for which income may be retained</i>
<p>Accruing resources include income under the Pharmaceutical Price Regulation Scheme; income in respect of settlement of legal claims; charges for accommodation, goods and services to private and NHS patients, local authorities and others; repayment of Invest to Save funding from Local Health Boards and Welsh NHS Trusts; income from the Scottish Government, Northern Ireland Executive, Department of Health, other government departments and the European Union; income from fixed penalty notices issued under the Food Hygiene Rating (Wales) Act 2013; income generation schemes; National Insurance Income from HM Revenue and Customs; non-operating income from sale of land, buildings, vehicles, equipment and property and recoveries of VAT.</p>	<p>Services and purposes include expenditure on primary and community health services; the purchase or acquisition of fixed assets by Welsh NHS Trusts, Local Health Boards and associated healthcare providers; supporting the provision and administration of health and social care services.</p>
Overall amount of Income (£000)	997,309

Part 2: Local Government

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include grant funding from the European Commission; repayment and recovery of grant payments and recoveries of VAT; fees and charges for inspections and regulatory services; provision of training and development events; charges for dental registration; income from staff secondments; repayment of staff loans; rental income on property; compensation under commercial and civil settlements and levy of facilitation fees; income from the sale of capital assets.	Services and purposes include running costs, general administration costs and resource expenditure of Inspectorates and the Valuation Tribunal; the delivery of training interventions for the Welsh Public Service; supporting expenditure on safer communities and regeneration; the payment of grants to local authorities and Third Sector bodies; all European funded projects; and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	300

Part 3: Communities and Tackling Poverty

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources including repayment and recovery of grant payments and recoveries of VAT; fees and charges for inspections and regulatory services; provision of training and development events; income from staff secondments; repayment of staff loans; income from the sale of capital assets.	The payment of grants to local authorities and Third Sector bodies; all European funded projects; and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	0

Part 4: Economy, Science and Transport

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources and funding either direct or indirect from the European Commission; property rental and other associated income; business services charges; project contributions from other public sector and private sector organisations; investment income; grant repayments and repayable business finance; income from the sale of capital assets; income relating to tourism activities; transport studies receipts; compensation under commercial and civil settlements and levy of facilitation fees; recoveries of VAT.	All European funded projects and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	42,393

Part 5: Education and Skills

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include income from European Projects, research & evaluation and business skills development; curriculum and qualifications royalties; recoveries of Student Loans; funding from the Higher Education Research Capital fund; sales of publications and recoveries of VAT.	Services and purposes include supporting European projects, CQFW, programme development, business skills development, research & evaluation current expenditure; to support curriculum and qualifications current expenditure and to support all expenditure as identified within the expenditure Ambit.
Overall amount of income (£000)	147,750

Part 6: Natural Resources and Food

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and Purposes for which income may be retained</i>
<p>Accruing resources include income from European structural funds; income from the EU for woodlands; income from the EU via Rural Payments Agency for supporting farmers and rural communities, including Direct Payments and Rural Development Plan (RDP) EU funding. RDP income includes income from the modulation of subsidy payments to farmers; income from wind farm projects; income from Pwllpeiran Farm or the sale of capital assets; recoveries of grants or settlements in respect of grant payments; recoveries of VAT; income from the salvage of carcasses from animals slaughtered for disease control and income from the EU for the eradication of bovine TB; income from the EU relating to TSE and BSE; EU aid for beekeeping; income from grant recoveries from local authorities, third sector organisations and other public and private sector organisations; income from marine licences; civil penalty fines associated with emission trading schemes; receipts from sales of assets, funding from other central government departments and income related to Natural Resources and Food.</p>	<p>Services and purposes include compensation for the removal of diseased livestock; expenditure relating to the eradication of bovine TB; and expenditure on the promotion of Welsh meat; expenditure relating to Pwllpeiran Farm; expenditure relating to TSE and BSE and related devolved animal health activities; expenditure relating to the bee health programme; and grant payments, schemes part supported by other government departments; levy income for the promotion of Welsh meat; income from the management and enforcement of fisheries in Wales including receipts from licensing, permits and penalties.</p>
Overall amount of Income (£000)	353,795

Part 7: Housing and Regeneration

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Service and Purposes for which income may be retained</i>
Accruing resources include income from repayments of Social Housing Grant; grant recoveries from local authorities, third sector organisations and other public and private sector organisations; rental income; receipts from the sales of assets, funding from other government departments and recoveries of VAT; funds via European and other funding schemes; recoveries of grants or settlements in respect of grant payments; ad-hoc grants from other sources and recoveries of VAT.	Services and purposes include Social Housing expenditure and grant payments and schemes part supported by other government departments; expenditure on Regeneration schemes and all European funded projects.
Overall amount of Income (£000)	73,000

Part 8: Culture and Sport

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include income from Cadw from admission charges to Cadw sites, sales of souvenirs, publications, (including sales of carrier bags), fees for specialist advisory services and Heritage in Wales membership and rental income; other income including income from events, filming, photography at sites, car parking and bequests; funds via European and other funding schemes; Royal Commission income from sales of publications and grants; recoveries of grant or settlements in respect of grant payments; ad-hoc grants from other sources and recoveries of VAT.	Services and purposes include expenditure by Cadw on archaeology, scheduling monuments, grants for historic buildings and ancient monuments, care and presentation of the monuments in care, and current expenditure/running costs (including staff); expenditure on all European funded projects; use of proceeds from sales of carrier bags for schemes for charitable purposes; and Royal Commission current expenditure/running costs (including staff).
Overall amount of Income (£000)	5,338

Part 9: Central Services and Administration

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and Purposes for which income may be retained</i>
Accruing resources include income from staff secondments and fees; repayment of staff loans; the refund of statutory PAYE deductions; recoveries of VAT; the sale of land and buildings; the sub let of properties; the sale of administrative assets; the sale of goods and services; administrative income; income from ICT services provided; training provider repayments; recovery of costs shared with other public sector bodies; receipts of recoverable grants including Invest-to-Save receipts; and funding either direct or indirect from the European Commission.	Services and purposes include funding of: running costs and general administrative expenditure; supporting capital expenditure on the Assembly Government's estate and asset base; and all European funded projects.
Overall amount of Income (£000)	361,644

Schedule 3 – Expenditure Incurred by Direct Funded Bodies (excluding accruing resources)

Part 1 – National Assembly for Wales Commission

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the National Assembly for Wales Commission on resource and capital costs associated with the administration and operation of Assembly Services to support the National Assembly for Wales ('the Assembly'); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Assembly or functions of the National Assembly for Wales Commission. Resources other than accruing resources for use by the National Assembly for Wales Commission in respect of decisions of the Remuneration Board and expenditure in respect of Assembly Members' Pension provision.	51,348

Part 2 – Public Services Ombudsman for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the Public Services Ombudsman for Wales ('the Ombudsman') on resource and capital costs associated with the administration of the Ombudsman's office; payments to the British and Irish Ombudsman Association; payments to the International Ombudsman Institute and associated non cash items.	4,023

Part 3 – Auditor General for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the Auditor General on the discharge of the statutory functions of the Auditor General and local government appointed auditors, and on the administration of the Wales Audit Office.	5,974

Schedule 4 – Use of accrued resources by Direct Funded Bodies

Part 1 – National Assembly for Wales Commission

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and purposes for which income may be retained</i>
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission from the disposal of fixed assets and other capital income; rental income; gifts; grant support; recharges; income from commercial sales and other services provided to the public or others.	For use on the purchase or acquisition of fixed assets and for use on administrative costs of the Assembly.
Overall amount of Income (£000)	250

Part 2 – Public Services Ombudsman for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and purposes for which income may be retained</i>
Income from commercial sales and other services provided to the public or others.	For use on related services and the administration of the Ombudsman service.
Overall amount of Income (£000)	6

Part 3 – Auditor General for Wales

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and purposes for which income may be retained</i>
Accruing resources from fees and charges for audit and related services (excluding for local government audit, assessment and inspection work); other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences, provision of administrative, professional and technical services; recoveries of costs of seconded staff; repayments of staff loans; recoveries of car leasing payments; and interest received on working balance fees.	For use by the Auditor General on related services and the administration of the Wales Audit Office.
Overall amount of income (£000)	17,639

Schedule 5: Resource to Cash Reconciliation 2014-15 (£000)**Table 1: Resource to cash Reconciliation for 2014-15 included in the December Annual Budget Motion (£000)**

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	12,840,305	49,607	4,010	5,876
Net Capital Requirement	544,849	1,741	13	98
Adjustments:				
Capital Charges	-118,880	-4,400	-105	0
Impairments	-45,839	0	0	0
Movements in Provisions	-63,472	-500	-30	0
Profit/Loss on sale of assets	0	0	0	0
Movements in stocks	0	0	0	0
Movements in debtors/creditors	0	0	20	0
Use of Provisions	0	0	254	0
Other	0	0	0	0
Net Cash Requirement for issue from the Welsh Consolidated Fund	13,156,963	46,448	4,162	5,974

Table 2: Changes to the Resource to cash Reconciliation included in this Supplementary Budget Motion (£000)

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	11,102	0	0	0
Net Capital Requirement	34,006	0	0	0
Adjustments:				
Capital Charges	0	0	0	0
Impairments	-17,464	0	0	0
Movements in Provisions	-10,000	0	0	0
Profit/Loss on sale of assets	0	0	0	0
Movements in stocks	0	0	0	0
Movements in debtors/creditors	0	0	0	0
Use of Provisions	0	0	0	0
Other	0	0	0	0
Net Cash Requirement for issue from the Welsh Consolidated Fund	17,644	0	0	0

Table 3: Resource to cash Reconciliation included in this Supplementary Budget Motion (£000)

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	12,851,407	49,607	4,010	5,876
Net Capital Requirement	578,855	1,741	13	98
Adjustments:				
Capital Charges	-118,880	-4,400	-105	0
Impairments	-63,303	0	0	0
Movements in Provisions	-73,472	-500	-30	0
Profit/Loss on sale of assets	0	0	0	0
Movements in stocks	0	0	0	0
Movements in debtors/creditors	0	0	20	0
Use of Provisions	0	0	254	0
Other	0	0	0	0
Net Cash Requirement for issue from the Welsh Consolidated Fund	13,174,607	46,448	4,162	5,974

Notes:

1. This table content and format complies with Section 125(1) (c) and 126(2) of the Government of Wales Act 2006 (“the Act”) which states that for the purposes of authorising the motion there shall be a statement authorising ‘the amount which may be paid out of the Welsh Consolidated Fund in the financial year to the relevant persons, or for use pursuant to a relevant enactment, for the purposes so specified’. Payments made out of the Welsh Consolidated Fund are made in cash; therefore this table shows the relevant cash requirements in support of the resources requested in support of Schedules 1 to 4 which state the relevant purposes for which resources may be used.
2. This table content and format also complies with Standing Order 20.28(v), which states that the budget motion must include reconciliation between the resources to be authorised under section 125(1) (a) and (b) of the Act and the amounts to be authorised for payment out of the Welsh Consolidated Fund under section 125(c) of the Act.
3. These tables are presented under S126 of the Act and SO20.31 showing variations to the resources allocated in the Annual Budget Motion and the amounts to be paid out of the Welsh Consolidated Fund.

Schedule 6: Reconciliation of resources requested in the budget motion to resources made available by the Treasury for the Welsh Block for 2014-15

Table 1: Reconciliation of Resources Requested in the December 2013 Annual Budget Motion to the resources made available by the Treasury for Wales (£000)

	2014-15 (£000)				Total
	Resource DEL	Capital DEL	Resource AME	Capital AME	
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	12,884,355	228,211	-44,050	316,638	13,385,154
- Assembly Commission	48,857	1,741	750	0	51,348
- Ombudsman	4,234	13	-224	0	4,023
- Auditor General	5,876	98	0	0	5,974
Total Resources Requested in the Supplementary Budget Motion	12,943,322	230,063	-43,524	316,638	13,446,499
<i>Adjustments:</i>					
(i) Resource Consumption of AGSBs and LHBs	176,840	0	117,735	0	294,575
(ii) Grants	-1,105,606	1,105,606	0	0	0
(iii) Supported Borrowing	0	88,800	0	0	88,800
(iv) Other	1,941,817	0	0	0	1,941,917
Total Adjustments in the Supplementary Budget Motion	1,013,051	1,194,406	117,735	0	2,325,192
- Direct Charges on the Welsh Consolidated Fund	2,427	0	0	0	2,427
- Wales Office	4,859	25	-20	0	4,864
- Unallocated Reserve	237,510	6,928	0	0	244,438
Total Managed Expenditure (Block)	14,201,169	1,431,422	74,191	316,638	16,023,420

Table 2: Changes to the Reconciliation of Resources Requested in the December 2013 Annual Budget Motion to the resources made available by the Treasury for Wales (£000)

	2014-15 (£000)				Total
	Resource DEL	Capital DEL	Resource AME	Capital AME	
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	-14,362	12,322	25,464	21,684	45,108
- Assembly Commission	0	0	0	0	0
- Ombudsman	0	0	0	0	0
- Auditor General	0	0	0	0	0
Total Resources Requested in the Supplementary Budget Motion	-14,362	12,322	25,464	21,684	45,108
<i>Adjustments:</i>					
(i) Resource Consumption of AGSBs and LHBs	0	0	4,605	0	4,605
(ii) Grants	-5,678	5,678	0	0	0
(iii) Supported Borrowing	0	0	0	0	0
(iv) Other	55,032	0	0	0	55,032
Total Adjustments in the Supplementary Budget Motion	49,354	5,678	4,605	0	59,637
- Direct Charges on the Welsh Consolidated Fund	0	0	0	0	0
- Wales Office	0	0	20	0	20
- Unallocated Reserve	7,016	5,690	0	0	12,706
Total Managed Expenditure (Block)	42,008	23,690	30,089	21,684	117,471

Table 3: Reconciliation of Resources Requested in this Supplementary Budget

	2014-15 (£000)				
	Resource DEL	Capital DEL	Resource AME	Capital AME	Total
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	12,869,993	240,533	-18,586	338,322	13,430,262
- Assembly Commission	48,857	1,741	750	0	51,348
- Ombudsman	4,234	13	-224	0	4,023
- Auditor General	5,876	98	0	0	5,974
Total Resources Requested in the Supplementary Budget Motion	12,928,960	242,385	-18,060	338,322	13,491,607
<i>Adjustments:</i>					
(i) Resource Consumption of AGSBs and LHBs	176,840	0	122,340	0	299,180
(ii) Grants	-1,111,284	1,111,284	0	0	0
(iii) Supported Borrowing	0	88,800	0	0	88,800
(iv) Other	1,996,849	0	0	0	1,996,849
Total Adjustments in the Supplementary Budget Motion	1,062,405	1,200,084	122,340	0	2,384,829
- Direct Charges on the Welsh Consolidated Fund	2,427	0	0	0	2,427
- Wales Office	4,859	25	0	0	4,884
- Unallocated Reserve	244,526	12,618	0	0	257,144
Total Managed Expenditure (Block)	14,243,177	1,455,112	104,280	338,322	16,140,891

Notes:

1. The total resource requirement for the Welsh Assembly Government is equivalent to the total of the allocations included in the Ambits of Schedule 1.
2. Standing Order 20.28(ii) states that the annual budget motion should include the resources agreed by the Treasury for the Welsh block budget for the financial year covered by the motion. Schedule 6 satisfies this requirement.
3. Standing Order 20.28(iii) states that the annual budget motion must include a reconciliation between the resources allocated to the Welsh block budget by the Treasury and the resources to be authorised for use in the budget motion. Schedule 6 satisfies this requirement.

4. The schedules above show variations authorised for the financial year under S126 of the Act and SO20.31.
5. Direct charges on the Welsh Consolidated Fund are:

Item	2014-15 £000
Payments to the National Loans Fund	1,677
Salaries and related pension costs of the Presiding Officer and the Deputy Presiding Officer	239
Salaries and related pension costs of the Ombudsman	191
Salaries and related pension costs of the Auditor General	193
Salaries and related pension costs of the Chair of the Wales Audit Office	27
Salaries and related pension costs of the Commissioner for Standards	22
National Non Domestic Rates Income	-1,041,000
National Non Domestic Rates Payable	1,041,000
Election Costs	78
Total	2,427

Schedule 7: Reconciliation of cash inflows to the Welsh Consolidated Fund to the cash issues to be requested in the budget motion (£000)

	Previous Provision 2014-15	Changes	Revised Provision 2014-15
Estimated net amounts payable to Welsh Ministers:			
Grant payable by the Secretary of State to the Welsh Consolidated Fund under Section 118 (1)	13,368,878	30,350	13,399,228
Payments from Other Government Departments	886,953	55,032	941,985
Payments from other sources	2,064,070	16,474	2,080,544
Estimated amounts payable to Welsh Ministers	16,319,901	101,856	16,421,757
Less amounts authorised to be retained by Welsh Ministers	-1,910,023	-71,506	-1,981,529
Less amounts retained in the Welsh Consolidated Fund	-1,041,000	0	-1,041,000
Amounts available for distribution from the Welsh Consolidated Fund	13,368,878	30,350	13,399,228
Distributed as follows:			
- Welsh Ministers	13,156,963	17,644	13,174,607
- Assembly Commission	46,448	0	46,448
- Ombudsman	4,162	0	4,162
- Auditor General	5,974	0	5,974
Cash Released from the Welsh Consolidated Fund in the Motion	13,213,547	17,644	13,231,191
<i>Plus:</i>			
Direct Charges on the Welsh Consolidated Fund	2,427	0	2,427
Unallocated Funds	152,904	12,706	165,610
Total Estimated Payments	13,368,878	30,350	13,399,228

Notes:

1. Section 125(3) of the Act states that the annual budget motion must be accompanied by a written statement made by Ministers showing:
 - i. the total amount of the payments which they estimate will be made for the financial year under Section 118(1);
 - ii. the total amount of the payments which they estimate will be made to the Welsh Ministers, the First Minister or the Counsel General for the financial year by Ministers of the Crown and government departments; and
 - iii. the total amount of payments which they estimate will be made to the Welsh Ministers, the First Minister or the Counsel General for the financial year otherwise than by a Minister of the Crown or government department.
2. The schedule above shows variations in these amounts as required under SO20.31.

June 2014



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Welsh Government

Supplementary Budget 2014-2015

Explanatory Note



June 2014

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Any queries on the content of this document should be sent to:
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1. Introduction

- 1.1** The Welsh Government today tabled the First Supplementary Budget for 2014-15 in accordance with Standing Order 20. This Supplementary Budget proposes a number of changes to the Final Budget for 2014-15 as approved by the National Assembly for Wales ('the Assembly') on 10 December 2013.
- 1.2** This Supplementary Budget is mainly administrative in nature. It makes a small number of allocations from Reserves that have been agreed since the Final Budget was approved. Adjustments have also been made to the Wales DEL budget to reflect transfers and consequential received in the UK Government's Autumn Statement and March Budget 2014.
- 1.3** Changes proposed are summarised in the tables contained in Chapter 2 [Key Changes in the Supplementary Budget](#).
- 1.4** This document supports the detailed Action Tables available on the Welsh Government's website.

2. Key changes since the Final Budget 2014-15

2.1 There are a number of changes which reflect revisions since the Final Budget 2014-15 was agreed by the Assembly on 10 December 2013. The changes predominantly relate to adjustments to Resource and Capital baselines and allocations from Reserves.

2.2 An overview of the key changes is provided below.

Adjustments to Resource Baselines

Fiscal Resource DEL

- As a result of UK Government decisions, the Fiscal Resource DEL baseline has increased by £36,540k, comprising:
 - an increase of £29,525k as a result of consequentials arising from the UK Government's Autumn Statement 2013; and
 - an increase of £7,015k as a result of consequentials arising from the UK Government's March 2014 Budget; and

Intergovernmental Transfers

- There are also a number of adjustments to our Fiscal Resource DEL in respect of intergovernmental transfers, which reflect changes in governmental responsibilities. These adjustments comprise:
 - a transfer in of £5,200k to the Funding Support for Local Government action within the Local Government MEG, from the Department for Works and Pensions in respect of the administration costs of Council Tax Reduction Schemes;
 - a transfer in of £168k to the Higher Education action within the Education and Skills MEG, from the Department for Education and Skills for the funding of students in Wales on Initial Teacher Training courses with the Open University; and

- a transfer in of £100k to the Tribunals action within the Central Services and Administration MEG, from the Ministry of Justice in respect of the abolition of the Administrative Justice Tribunals Council.

Non-fiscal Resource DEL

- There are no changes to the Non-Fiscal Resource DEL baseline.

Adjustments to Capital Baselines

Capital DEL

- As a result of UK Government decisions, the Capital DEL baseline has increased by £17,710k, comprising:
 - an increase of £4,025k as a result of consequentials arising from the UK Government's Autumn Statement 2013; and
 - an increase of £13,685k as a result of consequentials arising from the UK Government's March 2014 Budget; and

Financial Transactions

- In addition the Welsh Government's capital spending power has increased by a further £5,980k. This funding is ring-fenced for financial transactions and can only be used for loans and equity investments. The majority of this funding will also need to be repaid to the Exchequer.

Adjustments to Annually Managed Expenditure (AME) Budgets

2.3 AME budgets detailed in this Supplementary Budget reflect the latest forecasts provided to HM Treasury. Adjustments made since the Final Budget was approved comprise:

- An increase of £14,605k in the Health and Social Services AME budget to reflect latest forecasts in respect of provisions and impairments in the NHS;
- An increase of £1,150k in the Economy, Science and Transport AME budget to reflect latest forecasts for the impairment of the roads network;
- An increase of £37,998k in the Education and Skills AME budget comprising an increase in Resource AME of £16,314k and an increase in Capital AME of £21,684k. These figures reflect the latest Student Loan forecasts; and
- An increase of £2,000k in the Housing and Regeneration AME budget in respect of the Housing Revenue Account Subsidy.

Allocations from Reserves

2.4 This Supplementary Budget makes a number of allocations from Reserves, which are in line with previous announcements made by the Welsh Government. These allocations are summarised below.

Fiscal Resource DEL

- £17,423k has been transferred to the Economy, Science and Transport MEG in respect of Non-Domestic Rate measures.
- £12,101k has been transferred to the Education and Skills MEG to support the National Schools Challenge Fund.

Capital DEL

2.5 Capital Reserves have been allocated in line with the priorities set out in the Wales Infrastructure Investment Plan. This Supplementary Budget provides an additional £18,000k to support these priorities.

2.6 This budget allocates £18,000k to a number of schemes in the Health and Social Services MEG where our additional investment will contribute to sustainable and affordable health services. These allocations comprise:

- **Health Vision Swansea**

A £9.5 million allocation will support the redevelopment of health services in Swansea. This continued investment in the health infrastructure within the City will see further upgrading of the NHS estate with a view of delivering more integrated and balanced services.

- **Hwyl Dda Neonatal Services**

£3 million is allocated from reserves to support changes to maternity, obstetric, neonatal and paediatric services in Hwyl Dda LHB.

Phase 1 of the development ensures that the Health Board can accommodate the increased capacity required in obstetrics, neonatal and paediatric services on the Glangwili Hospital site, and will also provide midwifery led units at both Glangwili and Witybush Hospitals.

- **Cwm Taf Diagnostics Hub**

A £2 million allocation to allow the Royal Glamorgan Hospital to develop a hub for diagnostics and ambulatory care to support the wider network of hospitals within a South Wales Central Alliance.

This allocation will fund the provision of additional diagnostic equipment to reduce waiting times in line with All Wales standards, increase capacity and improve Cardiac and Colonography services.

- **Emergency Medical Retrieval Service**

An allocation of £1 million will support phase 1 of the development of an Emergency Medical Retrieval Service which will provide an 'All Wales' integrated adult, paediatric and neonatal transport service.

This allocation will contribute to meeting the infrastructure costs needed to support the service which will be delivered through a combination of helicopters and road vehicles.

- **Diagnostics**

A £2.5 million allocation to accelerate reductions in waiting times and access through the procurement of a range of diagnostic and imaging equipment across the Welsh NHS.

All of the above investments will be subject of the approval of full business cases.

2.7 Tables 1.1 to 1.4 set out the net impact of all the changes listed above.

Table 1.1 – Allocation of the Wales DEL – Supplementary Budget

MAIN EXPENDITURE GROUPS (MEGs)		£000s		
		Budget 2014-15	Changes	Revised Budget 2014-15
Departmental Expenditure Limits (DEL)				
Health and Social Services		6,378,630	18,000	6,396,630
Local Government		4,591,813	5,200	4,597,013
Communities and Tackling Poverty		212,696	0	212,696
Economy, Science and Transport		933,239	17,423	950,662
Education and Skills		1,771,008	12,269	1,783,277
Natural Resources and Food		415,710	0	415,710
Housing and Regeneration		535,639	0	535,639
Culture and Sport		137,160	0	137,160
Central Services and Administration		345,883	100	345,983
Total Allocated to Welsh Government Departments		15,321,778	52,992	15,374,770
Resource Reserves	Fiscal Resource DEL	145,976	7,016	152,992
	Non-Fiscal Resource DEL	91,534	0	91,534
Capital Reserves		6,928	5,690	12,618
Assembly Commission		50,598	0	50,598
Auditor General for Wales		5,974	0	5,974
Public Services Ombudsman for Wales		4,247	0	4,247
Direct Charges to the Welsh Consolidated Fund		672	0	672
Total Expenditure within the Wales DEL Budget		15,627,707	65,698	15,693,405

Table 1.2 – Changes to the Welsh Government Resource DEL

MAIN EXPENDITURE GROUPS (MEGs)	£000s			£000s		
	Fiscal Resource			Non-Fiscal Resource		
	Budget 2014-15	Changes	Revised Budget 2014-15	Budget 2014-15	Changes	Revised Budget 2014-15
Health and Social Services	5,926,580	0	5,926,580	170,000	0	170,000
Local Government	4,568,486	5,200	4,573,686	407	0	407
Communities and Tackling Poverty	192,246	0	192,246	0	0	0
Economy, Science and Transport	403,243	17,423	420,666	110,000	0	110,000
Education and Skills	1,510,243	12,269	1,522,512	106,931	0	106,931
Natural Resources and Food	298,730	0	298,730	3,340	0	3,340
Housing and Regeneration	169,269	0	169,269	0	0	0
Culture and Sport	117,439	0	117,439	3,677	0	3,677
Central Services and Administration	302,570	100	302,670	16,000	0	16,000
Total Allocation to Welsh Government Departments	13,488,806	34,992	13,523,798	410,355	0	410,355

Table 1.3 – Changes to the Welsh Government Capital DEL

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget 2014-15	Changes	Revised Budget 2014-15
Health and Social Services	282,050	18,000	300,050
Local Government	22,920	0	22,920
Communities and Tackling Poverty	20,450	0	20,450
Economy, Science and Transport	419,996	0	419,996
Education and Skills	153,834	0	153,834
Natural Resources and Food	113,640	0	113,640
Housing and Regeneration	366,370	0	366,370
Culture and Sport	16,044	0	16,044
Central Services and Administration	27,313	0	27,313
Total Allocation to Welsh Government Departments	1,422,617	18,000	1,440,617

Table 1.4 – Wales AME Budget

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget 2014-15	Changes	Revised Budget 2014-15
Health and Social Services	166,095	14,605	180,700
Local Government	24,488	0	24,488
Communities and Tackling Poverty	0	0	0
Economy, Science and Transport	48,946	1,150	50,096
Education and Skills	214,084	37,998	252,082
Natural Resources and Food	2,900	0	2,900
Housing and Regeneration	-71,000	-2,000	-73,000
Culture and Sport	2,740	0	2,740
Central Services and Administration	2,070	0	2,070
Total Welsh Government AME Budget	390,323	51,753	442,076

3. Budget Exchange System

3.1 In the Second Supplementary Budget 2013-14, the Welsh Government held contingency reserves of £50,771k Fiscal Resource DEL and £7,749k Capital DEL, which included £1,294k financial transactions funding. These amounts alongside any underspends against the allocations detailed in that budget will be carried forward to 2014-15 under the Budget Exchange Scheme.

3.2 Details of the exact amounts of Fiscal Resource DEL and Capital DEL to be carried forward from 2013-14 will be confirmed once the Welsh Government's Annual Accounts for 2013-14 have been finalised and reflected in the Final Outturn Report. Adjustments to the baseline to reflect the final amount carried forward will be made later in the year through the UK Supplementary Estimate process.

Annex 1 – Reconciliation between the Welsh Block Budget and Resource Allocations in the Budget Motion

This document supports the Supplementary Budget Motion, which sets out the changes to both the resources that the Welsh Government is proposing to use in 2014-15 and the cash it is seeking authority to draw from the Welsh Consolidated Fund. The tables within this report show budgets on an administrative basis, whereas the figures in the Supplementary Budget Motion are on a resource basis.

The Welsh Government's administrative budget contains a number of items which are scored outside the accounts of the Welsh Government and therefore do not score as part of the Resources Required by Welsh Ministers. This Annex reconciles the administrative and resource budgets of each Main Expenditure Group.

Health and Social Services

	2014-15
DEL	
Resource	6,096,580
Capital	300,050
AME	
Resource	180,700
Capital	0
TME	6,577,330
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS bodies	-280,700
Supported Borrowing	-3,602
National Insurance Fund Receipts (and collection costs)	-942,891
Resources requested	5,350,137

Local Government and Government Business

	2014-15
DEL	
Resource	4,574,093
Capital	22,920
AME	
Resource	24,488
Capital	0
TME	4,621,501
Reconciliation to Resources	
National Non Domestic Rates payable (and collection costs)	-1,046,172
Resource Consumption of WGSBs	-400
Resources requested	3,574,929

Communities and Tackling Poverty

	2014-15
DEL	
Resource	192,246
Capital	20,450
AME	
Resource	0
Capital	0
TME	212,696
Reconciliation to Resources	
Resources requested	212,696

Economy, Science and Transport

	2014-15
DEL	
Resource	530,666
Capital	419,996
AME	
Resource	50,096
Capital	0
TME	1,000,758
Reconciliation to Resources	
Supported Borrowing	-10,336
Direct Charges on the Welsh Consolidated Fund	-1,677
PFI	-7,786
Resources requested	980,959

Education and Skills

	2014-15
DEL	
Resource	1,629,443
Capital	153,834
AME	
Resource	-86,240
Capital	338,322
TME	2,035,359
Reconciliation to Resources	
Resource Consumption of WGSBs	-6,082
Supported Borrowing	-33,781
Resources requested	1,995,496

Natural Resources and Food

	2014-15
DEL	
Resource	302,070
Capital	113,640
AME	
Resource	2,900
Capital	0
TME	418,610
Reconciliation to Resources	
Resource Consumption of WGSBs	-5,990
Supported Borrowing	-9,741
Resources requested	402,879

Housing and Regeneration

	2014-15
DEL	
Resource	169,269
Capital	366,370
AME	
Resource	-73,000
Capital	0
TME	462,639
Reconciliation to Resources	
Supported Borrowing	-31,340
Resources requested	431,299

Culture and Sport

	2014-15
DEL	
Resource	121,116
Capital	16,044
AME	
Resource	2,740
Capital	0
TME	139,900
Reconciliation to Resources	
Resource Consumption of WGSBs	-6,008
Resources requested	133,892

Central Services and Administration

	2014-15
DEL	
Resource	318,670
Capital	27,313
AME	
Resource	2,070
Capital	0
TME	348,053
Reconciliation to Resources	
Direct Charges on the Welsh Consolidated Fund	-78
Resources requested	347,975

Annex 2 – Glossary

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

Direct Charges on the Welsh Consolidated Fund	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore does not score against the budgets of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
Fiscal Resource DEL	Accruals measures of transactions that normally turn into cash flows soon, for example, pay, current procurement, resource grants and subsidies.
Main Expenditure Group (MEG)	The Assembly Government DEL is divided into a number of Main Expenditure Groups. There are currently 9 MEGs: Health and Social Services; Local Government; Communities and Tackling Poverty; Economy, Science and Transport; Education and Skills; Natural Resources and Food; Housing and Regeneration; Culture and Sport; and Central Services and Administration.
Non-Fiscal Resource DEL	Accruals measures included in budgets to ensure they reflect the full economic cost of activities even though there is not a direct link to cash flows in the relevant period - for example, depreciation and provisions. Non-fiscal resource DEL cannot be used to fund fiscal resource DEL spending.
Receipts	Some areas of Welsh Government activity generate income, for example, through the sale or rental of assets. There are represented in the budget as a receipt and shown as a negative figure.
Resource budgeting	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budget includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.
Resource	Current expenditure, for example, funding for the pay of public sector workers and to purchase consumable goods and services.
Spending Programme Area (SPA)	Within each MEG, budgets are allocated to Spending Programme Areas according to the kind of services they will deliver.

Spending Review	Every two or three years HM Treasury reviews expenditure for each UK Government Department and sets budgets for the forthcoming three years. Budgets for the devolved administrations are derived from these budgets via the Barnett formula.
Total Managed Expenditure (TME)	The total Departmental Expenditure Limit plus Annually Managed Expenditure.
Welsh Consolidated Fund	The account into which the money voted by the UK Parliament for use by the Welsh Government, the Assembly Commission, the Auditor General, and the Public Services Ombudsman for Wales is paid.
WGSB	Welsh Government Sponsored Body.



Llywodraeth Cymru
Welsh Government

**WRITTEN STATEMENT
BY
THE WELSH GOVERNMENT**

TITLE: Supplementary Budget 2014-15

DATE: 24 June 2014

BY: Jane Hutt, Minister for Finance

Today, I published the Welsh Government's First Supplementary Budget for 2014-15.

The main purpose of this Supplementary Budget is to reflect the budgetary changes since the Final Budget 2014-15 published by the Welsh Government in December. It also sets out a number of allocations from our reserves, transfers with UK Government Departments and includes revised Annually Managed Expenditure forecasts.

By virtue of paragraph(s) vi of Standing Order 17.42

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