

Agenda – Finance Committee

Meeting Venue:	For further information contact:
Video conference via Zoom	Bethan Davies
Meeting date: 30 November 2020	Committee Clerk
Meeting time: 14.30	0300 200 6372
	SeneddFinance@senedd.wales

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on www.senedd.tv

On 16 November 2020, the Committee resolved to exclude the public from item 1 of today's meeting (Item 1 is a joint session with the Equality, Local Government and Communities Committee (ELGC) and will be hosted by ELGC Committee.

1 Inter–Ministerial Group on Paying for Social Care – Technical briefing from Welsh Government officials

(13.30–14.15)

(Pages 1 – 24)

Matthew Jenkins – Deputy Director, Partnership & Cooperation, Welsh Government

Anna Adams – Deputy Director, Head of Tax Strategy Policy and Engagement, Welsh Government

Supporting papers:

FIN(5)–24–20 P1 – Letter from the Minister for Health and Social Services:

Technical briefing – 17 Nov 2020

FIN(5)–24–20 P2 – Presentation slides



Finance Committee will host the remainder of the meeting

BREAK (14.15–14.30)

2 Introductions, apologies, substitutions and declarations of interest

3 Paper(s) to note

(14.30)

(Pages 25 – 29)

Minutes of the meeting held on 16 November 2020

Minutes of the meeting held on 23 November 2020

3.1 PTN 1 – Letter from the Minister for Finance and Trefnydd: The Non-Domestic Rating (Multiplier) (Wales) Order 2020 – 11 November 2020

(Pages 30 – 41)

3.2 PTN 2 – Letter from the Auditor General for Wales: Code of Audit Practice – 18 November 2020

(Pages 42 – 43)

3.3 PTN 3 – Letter from the Deputy Minister and Chief Whip: Socio-economic Duty – 25 November 2020

(Pages 44 – 45)

4 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Evidence session 9

(14.30–15.30)

(Pages 46 – 88)

Rebecca Evans MS – Minister for Finance and Trefnydd

Andrew Jeffreys – Director, Welsh Treasury

Julian Revell – Head of Fiscal Analysis, Welsh Treasury

Supporting papers:

FIN(5)–24–20 P3 Welsh Government – Evidence paper

Research brief

- 5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the meeting on 7 December**
(15.30)
- 6 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Consideration of evidence**
(15.30–15.45)
- 7 Report on Outturn 2019–20 – Welsh Government**
(15.45–16.00) (Pages 89 – 116)
Supporting papers:
FIN(5)–24–20 P4 – Letter from the Minister for Finance and Trefnydd and attached Report on Outturn 2019–20 – 18 November 2020
- 8 Role and Remits of Independent Fiscal Institutions – The Northern Ireland Assembly**
(16.00–16.15) (Pages 117 – 143)
Supporting papers:
FIN(5)–24–20 P5 – Letter from the Chair of the Committee for Finance at the Northern Ireland Assembly and accompanying research paper: Role and Remits of Independent Fiscal Institutions – 18 November 2020

Document is Restricted

Document is Restricted

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Monday, 16 November
2020

<http://senedd.tv/en/6559>

Meeting time: 14.30 – 16.45

Attendance

Category	Names
Assembly Members:	Llyr Gruffydd MS (Chair) Alun Davies MS Siân Gwenllian MS Nick Ramsay MS Mark Reckless MS
Witnesses:	Dyfed Alsop, Welsh Revenue Authority David Phillips, Institute for Fiscal Studies Sam Cairns, Welsh Revenue Authority Rebecca Godfrey, Welsh Revenue Authority
Committee Staff:	Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher) Christian Tipples (Researcher)



1 Introductions, apologies, substitutions and declarations of interest

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

1.2 Apologies were received from Mike Hedges MS and Rhianon Passmore MS.

2 Paper(s) to note

2.1 The papers were noted.

2.1 **PTN 1 – Letter from the Minister for Housing and Local Government: Local Government and Elections (Wales) Bill – Revised Regulatory Impact Assessment – 5 November 2020**

3 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Evidence session 7

3.1 The Committee took evidence from David Phillips, Associate Director, Institute of Fiscal Studies on its inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework.

4 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Evidence session 8

4.1 The Committee took evidence from Dyfed Alsop, Chief Executive, Welsh Revenue Authority; Rebecca Godfrey, Chief Strategy Officer, Welsh Revenue Authority; and Sam Cairns, Chief Operating Officer, Welsh Revenue Authority on its inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework.

5 Motion to exclude the public from the remainder of the meeting; the meeting on 23 November 2020, and item 1 at the meeting on 30 November

5.1 The motion was agreed.

6 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Consideration of evidence

6.1 The Committee considered the evidence received.

7 Annual scrutiny of the Wales Audit Office and the Auditor General for Wales: Consideration of draft report

7.1 The Committee agreed the draft report.

8 Curriculum and Assessment (Wales) Bill: Consideration of draft report

8.1 The Committee agreed the draft report with minor changes.

9 Internal Market Bill: Consideration of draft report

9.1 The Committee agreed the draft report with minor changes.

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Monday, 23 November
2020

<http://senedd.tv/en/6560>

Meeting time: 14.30 – 16.05

Private meeting

Attendance

Category	Names
Assembly Members:	Llyr Gruffydd MS (Chair) Alun Davies MS Mike Hedges MS Rhianon Passmore MS Nick Ramsay MS
Witnesses:	Lynsey Edwards, Welsh Government Laura Fox, Welsh Government Andrew Hewitt, Welsh Government
Committee Staff:	Bethan Davies (Clerk) Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher)

1 Introductions, apologies, substitutions and declarations of interest

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



1.2 Apologies were received from Mark Reckless MS and Siân Gwenllïan MS.

2 Enabling changes to the Welsh Tax Acts – Technical briefing from Welsh Government officials

2.1 The Committee received a technical briefing on the Enabling Changes to the Welsh Tax Acts from Andrew Hewitt, Tax Strategy, Welsh Treasury;

Laura Fox, Tax Strategy, Welsh Treasury; and Lynsey Edwards, Legal Services, Welsh Government.

3 Finance Committee Legacy: Fifth Senedd

3.1 The Committee considered the Legacy inquiry scoping paper.

4 Senedd Commission Draft Budget 2021–22: Consideration of Commission response

4.1 The Committee considered the Commission's response.

5 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Citizen engagement paper

5.1 The Committee considered the Citizen engagement paper.



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-RE-3187-20

Elin Jones, MS
Llywydd
Senedd Cymru
Cardiff Bay
CF99 1SN

11 November 2020

Dear Llywydd,

THE NON-DOMESTIC RATING (MULTIPLIER) (WALES) ORDER 2020

I have today made the Non-Domestic Rating (Multiplier) (Wales) Order 2020, under paragraph 5(3) of Schedule 7 to the Local Government Finance Act 1988. It comes into force on 1 April 2021, subject to the Senedd's agreement. I attach a copy of the statutory instrument and the accompanying Explanatory Memorandum, which I intend to lay once the statutory instrument has been registered.

In accordance with the procedure set out in paragraph 5(15) 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 2021, or before 1 March in the preceding financial year, 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 8 December.

I am copying this letter to Mick Antoniw MS, Chair of the Legislation, Justice and Constitution Committee, Llyr Gruffydd MS, Chair of the Finance Committee, 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'r Trefnydd
Minister for Finance and Trefnydd

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 30

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.

Order made by the Welsh Ministers, laid before Senedd Cymru under paragraph 5(15) of Schedule 7 to the Local Government Finance Act 1988, for approval by resolution of Senedd Cymru before the approval by the Senedd of the local government finance report for the financial year beginning on 1 April 2021, or before 1 March 2021 (whichever is earlier).

W E L S H S T A T U T O R Y
I N S T R U M E N T S

2020 No. (W.)

**RATING AND VALUATION,
WALES**

**The Non-Domestic Rating
(Multiplier) (Wales) Order 2020**

EXPLANATORY NOTE

(This note is not part of the Order)

In relation to Wales, the non-domestic rating multiplier is calculated in accordance with paragraph 3B of Schedule 7 to the Local Government Finance Act 1988 (“the Act”) for each financial year when new rating lists are not being compiled. New rating lists are not being compiled for the financial year beginning on 1 April 2021.

The formula in paragraph 3B of Schedule 7 to the Act includes an item B which is the retail prices index for September of the financial year preceding the year concerned, unless the Welsh Ministers exercise their power under paragraph 5(3) of Schedule 7 to the Act to specify, by Order, a different amount for item B. If the Welsh Ministers exercise that power in relation to a financial year, the different amount so specified must be less than the retail prices index for September of the preceding financial year. The retail prices index for September of the preceding financial year is 294.3.

This Order specifies that for the financial year beginning on 1 April 2021, the amount for item B is 292.6.

In accordance with paragraph 5(15) of Schedule 7 to the Act, this Order will only come into force if it is approved by a resolution of Senedd Cymru before Senedd Cymru approves the local government finance

report for the financial year beginning on 1 April 2021, or before 1 March 2021 (whichever is earlier).

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to this Order. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with this Order. A copy can be obtained from the Local Government Strategic Finance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

Order made by the Welsh Ministers, laid before Senedd Cymru under paragraph 5(15) of Schedule 7 to the Local Government Finance Act 1988, for approval by resolution of Senedd Cymru before the approval by the Senedd of the local government finance report for the financial year beginning on 1 April 2021, or before 1 March 2021 (whichever is earlier).

W E L S H S T A T U T O R Y
I N S T R U M E N T S

2020 No. (W.)

**RATING AND VALUATION,
WALES**

**The Non-Domestic Rating
(Multiplier) (Wales) Order 2020**

Made ***

Laid before Senedd Cymru ***

*Coming into force in accordance with article
1(2)*

The Welsh Ministers make the following Order in exercise of the power conferred on the Treasury by paragraph 5(3) of Schedule 7 to the Local Government Finance Act 1988(1) and now vested in them(2).

Title, commencement and application

1.—(1) The title of this Order is the Non-Domestic Rating (Multiplier) (Wales) Order 2020.

(2) This Order comes into force on the day after the day on which it is approved by a resolution of Senedd Cymru, provided that the approval of the Order is

(1) 1988 c. 41.

(2) The power under paragraph 5(3) of Schedule 7 to the Local Government Finance Act 1988, so far as exercisable in relation to Wales, was transferred to the National Assembly for Wales by virtue of article 2 of, and Schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672). By virtue of section 162 of, and paragraphs 30 and 32 of Schedule 11 to, the Government of Wales Act 2006 (c. 32), the power is now vested in the Welsh Ministers.

given before the approval by Senedd Cymru of the local government finance report for the financial year beginning on 1 April 2021, or before 1 March 2021 (whichever is earlier)(1).

(3) This Order applies in relation to Wales.

Non-domestic rating multiplier

2. For the purpose of paragraph 3B of Schedule 7 to the Local Government Finance Act 1988, for the financial year beginning on 1 April 2021, B is specified as 292.6.

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a horizontal line under the name.

Name: Rebecca Evans MS
Minister for Finance and Trefnydd, one of the Welsh
Ministers
Date: 11/11/2020

(1) References in the Local Government Finance Act 1988 to the National Assembly for Wales now have effect as references to Senedd Cymru, by virtue of section 150A(2) of the Government of Wales Act 2006.

Explanatory Memorandum to the Non-Domestic Rating (Multiplier) (Wales) Order 2020

This Explanatory Memorandum has been prepared by Local Government Strategic Finance Division and is laid before the Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Non-Domestic Rating (Multiplier) (Wales) Order 2020. I am satisfied that the benefits justify the likely costs.

Rebecca Evans MS
Minister for Finance and Trefnydd
November 2020

Contents

PART 1: EXPLANATORY MEMORANDUM	3
1. Description	3
2. Matters of Special Interest to the Legislation, Justice and Constitution Committee	3
3. Legislative background	4
4. Purpose and Intended Effect of the Legislation	4
PART 2: REGULATORY IMPACT ASSESSMENT	6
ANALYSIS OF OTHER EFFECTS AND IMPACTS.....	7

PART 1: EXPLANATORY MEMORANDUM

1. Description

This Order sets the increase in the non-domestic rating (NDR) multiplier for Wales for the financial year 2021-22. It reflects the use of the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) to calculate the multiplier.

Under the Local Government Finance Act 1988 (the 1988 Act), the annual increase in the multiplier should be calculated using the RPI figure for the September preceding the financial year to which the multiplier applies. For 2021-22, the RPI figure would have been 294.3.

The multiplier is applied to the rateable value (RV) of each non-domestic property to calculate its non-domestic rates bill. The Order applies the CPI figure in place of the RPI figure. This results in a smaller increase in the 2021-22 rates bills to be paid by businesses and other non-domestic property owners than would be the case if the RPI figure were used.

The formula used for calculating the NDR multiplier in a non-revaluation year is:

$$(A \times B) / C.$$

A is the multiplier for the preceding financial year

B is the RPI for September of the preceding financial year

C is the RPI for September of the financial year two years before.

Welsh Ministers may substitute a figure for B which is less than the RPI figure. As CPI is used as the measure for increasing the multiplier, B is calculated based on CPI.

The substituted figure for B is calculated dividing CPI from September of the preceding financial year by CPI from September of the financial year two years before and multiplying by RPI for September of the financial year two years before. For 2021-22, B has been calculated as 292.6.

This results in the multiplier for 2021-22 being 0.538 instead of 0.541.

2. Matters of Special Interest to the Legislation, Justice and Constitution Committee

Under the 1988 Act, an order which enables the multiplier to be increased at below the level of RPI must be approved by the Senedd through a made affirmative resolution procedure (paragraph 5(15) of Schedule 7 to the 1988 Act). Under the procedure, after the Order is made, it must be laid before the Senedd for approval.

The relevant provision specifically provides that the Order must be approved by the Senedd before the votes on the Local Government Finance Reports (the final local government settlement and final police settlement) take place, or before 1 March in the preceding financial year, whichever is earlier. The debate on the

local government settlement for 2021-22 is expected to take place in early March 2021.

3. Legislative background

Under the 1988 Act, for financial years in which new rating lists do not apply (i.e. all years which are not revaluation years), the default position for determining the non-domestic rating multiplier for Wales is to apply the formula set out in paragraph 3B to Schedule 7 to the 1988 Act. An element in that formula is the RPI for September of the financial year preceding the year concerned. The financial year beginning 1 April 2021 is not a revaluation year and therefore there will not be a new rating list.

Under paragraph 5(3) of Schedule 7 to the 1988 Act, the Welsh Ministers have the power to increase a multiplier at below the level of inflation as measured by RPI. It is this power which the Welsh Ministers propose to exercise in making this Order.

The Welsh Ministers have adopted the approach of increasing the multiplier using CPI rather than RPI for each financial year since 2018-19.

As the Welsh Government is diverging from the prescribed practice of increasing the multiplier by RPI, Ministers are required, under paragraph 5(15) of Schedule 7 to the 1988 Act, after making the Order to limit the increase at below RPI, to lay it before the Senedd for approval.

The Order is subject to a made/provisional affirmative procedure and must be approved by the Senedd for it to be effective. It is also a requirement of the 1988 Act that any such Order is approved before the local government finance reports (for unitary authorities and police and crime commissioners) are approved by the Senedd, or before 1 March in the preceding financial year, whichever is earlier. This requirement for prior agreement of the multiplier arises because it plays a vital part in calculating the total funding available in the annual settlements.

The debate on the Local Government Finance Report for unitary authorities for 2020-21 is expected to be scheduled for debate in early March 2021. The debate to approve the Order is scheduled to take place on 8 December 2020.

4. Purpose and Intended Effect of the Legislation

The Order will have the effect of increasing the NDR multiplier by CPI rather than RPI for the financial year 2021-22. By applying CPI for 2021-22, the multiplier will be set at 0.538.

This will mean that non-domestic property owners and occupiers in Wales will receive lower rates bills for 2021-22 than they would have if RPI was used.

Primary legislation does not currently provide the Welsh Ministers with powers to permanently change the rate of inflation used to calculate the multiplier from RPI to CPI. Therefore, the Order will apply for 2021-22 only.

Similar orders were made to effect the equivalent change for 2018-19 to 2020-21.

All owners or occupiers of non-domestic properties who pay rates will benefit from the change. Even properties which receive significant amounts of rates relief will benefit as the residual amounts will be calculated using a lower multiplier.

All the non-domestic rates collected in Wales are pooled centrally and distributed to unitary authorities and to police and crime commissioners as part of the annual local government settlements. The total amount to be distributed in this way is known as the Distributable Amount. It is calculated by applying the multiplier to the estimated national total of rateable value, taking account of any surplus or deficit carried forward from previous years.

The Distributable Amount is a key component of the annual local government revenue settlements and the 1988 Act requires that it is approved by the Senedd as part of the annual local government finance reports. The multiplier therefore needs to be determined before the annual settlements can be finalised.

There is a clear purpose to the policy behind the legislation. It is aimed at supporting economic growth and reducing the tax liability for businesses and other non-domestic ratepayers in Wales, ensuring they are not at a disadvantage compared to other parts of the United Kingdom.

Using CPI rather than RPI to increase the multiplier in Wales will reduce the income into the non-domestic rates pool in 2021-22. The reduction will be fully funded by the Welsh Government and will be reflected in the calculations for the local government settlements so that there is no financial impact on local authorities or police budgets.

CPI has been used to calculate the multiplier in Wales since 2018-19 and the Welsh Ministers have determined that CPI should be used to calculate the multiplier for future years. The use of CPI since 2018-19 has been achieved through annual orders. To make the change on a permanent basis requires primary legislation to amend the Local Government Finance Act 1988. Provisions are included in the Local Government and Elections (Wales) Bill to achieve this. It is expected that the amendment will have effect in time for the 2022-23 financial year.

5. Consultation

No consultation has been undertaken on the policy behind this Order. The policy position has not changed since this was agreed for the 2018-19 financial year. The proposals benefit all ratepayers in Wales and there is no impact on the resources available to local authorities.

PART 2: REGULATORY IMPACT ASSESSMENT

Options

Option 1 – Use RPI to increase the multiplier

This option would increase the multiplier for 2021-22 by RPI at September 2020 (1.1%), resulting in a multiplier of 0.541.

Option 2 – Increase the multiplier by the equivalent of CPI

This option would increase the multiplier for 2021-22 by CPI at September 2020 (0.5%), resulting in a multiplier of 0.538.

Costs and benefits

Option 1 – Use RPI to increase the multiplier

The following illustrates the effect of using RPI to increase the multiplier on the non-domestic rates bill of a property.

For example, if a property has a rateable value (RV) as assessed by the Valuation Office Agency of £15,000, the rates bill for 2020-21 (before any reliefs) would have been:

$$\text{RV } £15,000 \times 0.535 = £8,025$$

Applying RPI would result in an annual rates bill for 2021-22 of:

$$\text{RV } £15,000 \times 0.541 = £8,115$$

The increase in the annual charge would therefore be £90.

Option 2 – Increase the multiplier by the equivalent of CPI

This option would result in a lower increase in rates bills for all non-domestic properties than under RPI. Using the example from Option 1.

The rates bill for 2020-21 was:

$$\text{RV } £15,000 \times 0.535 = £8,025$$

An increase using CPI for 2021-22 would give a bill of:

$$\text{RV } £15,000 \times 0.538 = £8,070$$

The increase in rates for the property would therefore be £45, £45 less than if RPI were used.

The total saving to non-domestic ratepayers across Wales is estimated at around £7.3m, not accounting for the impact of relief schemes. This would be a recurrent saving as the multiplier cannot be increased at a level above RPI in future years. This saving is additional to the savings made from applying the same approach in each year since 2018-19.

Option selection

The cost of limiting the increase in the multiplier (Option 2) would be borne by the Welsh Government. There would be no financial impact on local authorities. The approach also means that ratepayers in Wales would not be at a disadvantage compared to other parts of the UK.

Option 2 is therefore the preferred option.

Analysis of other effects and impacts

Promoting Economic Opportunity for All (Tackling Poverty)

Limiting the increase in the multiplier provides support for all ratepayers which could help to prevent hardship.

UNCRC

No particular impact on the rights of children has been identified.

Welsh language

No effect on the opportunities to use the Welsh language or the equal treatment of the language has been identified.

Equalities

No specific impacts, positive or negative, on persons who share a protected characteristic (as determined by the Equality Act 2010) have been identified.

Well-being of Future Generations (Wales) Act 2015

Limiting the increase in the multiplier will assist all ratepayers and, as such, will help to contribute to the achievement of the wellbeing goals of a prosperous and a more equal Wales.

Impact on voluntary sector

Limiting the increase in the multiplier will benefit all ratepayers including those operating in the voluntary, charitable and not-for-profit sectors.

Competition Assessment

A competition filter test has been applied to the Order. As the change benefits all ratepayers, no effect on competition within Wales is indicated. Limiting the multiplier means that ratepayers in Wales are not placed at a disadvantage compared to other parts of the UK.

Post implementation review

The Welsh Government will monitor the impact of the change on the non-domestic rates pool.

Mr Llyr Gruffydd MS
Chair of the Finance Committee
The Senedd
Cardiff Bay
Cardiff
CF99 1NA

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: AC/221/caf
Date issued: 18 November 2020

Dear Llyr

Code of Audit Practice

I am required under section 10 of the Public Audit (Wales) Act 2013 to prepare and publish a Code of Audit Practice which prescribes the way in which the functions of the Auditor General are to be carried out. The Code must embody what appears to me to be best professional practice with respect to the standards, procedures and techniques to be adopted in carrying out my functions.

As you will recall, my predecessor, Huw Vaughan Thomas, during his evidence to the Finance Committee on his audit of the 2015-16 accounts of Natural Resources Wales, explained that he had put in place arrangements to review the Code on an annual basis. I have retained those arrangements.

Following completion of a review this year, I published a revised Code on 30 October 2020, which is available at this link: [Code of Audit Practice](#)

The main changes to the Code were as follows:

- updating some legislative references, the most notable being to change references to the Assembly to the Senedd;
- replacing Huw Vaughan Thomas' foreword with one from myself; and
- rebranding the Code as an Audit Wales document.

As there are no substantive changes to the guidance in the Code there was no need to consult on those changes.

I will continue to review my Code annually and will update you as changes are made.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Crompton', with a long horizontal stroke extending to the right.

ADRIAN CROMPTON
Auditor General for Wales

cc Mr Nick Ramsay MS, Chair, Public Accounts Committee

Agenda Item 3.3

Y Dirprwy Weinidog a'r Prif Chwip
Deputy Minister and Chief Whip



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-JH-3575-20

To:

Health, Social Care and Sport Committee,
Equality, Local Government and Communities Committee,
Legislation, Justice and Constitution Committee,
Finance Committee, and
Climate Change, Environment and Rural Affairs Committee.

25 November 2020

Dear Committee Chair,

In his Oral Statement to Plenary on 15 July, the First Minister announced that the Socio-economic Duty ("the Duty") was one of five areas confirmed in the Legislative Programme for delivery before the end of this Senedd term. Subsequently on 16 July I confirmed via a Written Statement that the Duty would come into force of 31 March 2021.

Commencing Part 1 of the Equality Act 2010, the Duty, will require specified public bodies, including the Welsh Ministers, when making strategic decisions such as deciding priorities and setting objectives, to consider how their decisions might help to reduce socio-economic disadvantage.

The scope of the Welsh Minister's powers to capture Welsh public bodies by the Duty is determined by a 'test' in section 2(6) of the Equality Act 2010. Based upon this, I envisage the following Welsh public bodies will be specified in the Regulations:

- Welsh Ministers;
- Local Health Boards, NHS Trusts and Special Health Authorities;
- Local Authorities;
- Fire and Rescue Authorities;
- Welsh Revenue Authority; and
- National Park Authorities.

I recognise the pressures Senedd Committee timetables are under between now and the end of this Senedd term. I am therefore writing to offer your Committee, as one which will have interest in the Duty the opportunity of a technical briefing ahead of me laying the

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

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Jane.Hutt@llyw.cymru
Correspondence.Jane.Hutt@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.

Regulations in the Senedd on 9 February 2021. This would provide you and Committee Members with an opportunity to understand the legislative framework and principles behind the Duty. If you would find this helpful, I would be grateful if your Committee Clerk could contact the Legislative Programme and Governance Unit to make arrangements.

For further information on the Duty, including interim non-statutory guidance, please see the Welsh Government [website](#).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jane', with a horizontal line above it.

Jane Hutt AS/MS

Y Dirprwy Weinidog a'r Prif Chwip
Deputy Minister and Chief Whip

Agenda Item 4

Finance Committee Inquiry into the Implementation of the Wales Act 2014

Evidence Paper

Introduction

1. The Finance Committee is undertaking an inquiry into the implementation of the Wales Act 2014 and the operation of the Fiscal Framework. The inquiry will also consider public awareness of fiscal devolution and taxation in Wales.

Context

2. The Wales Act 2014 heralded the devolution of taxes in Wales and marked an historic moment in Welsh political history. Six years on from its introduction, the last of the financial provisions in the Act have been implemented and the first year of operation of the Welsh rates of income tax has been completed. It is important to recognise the amount of work that has gone in over this period including:
 - the establishment of three Acts: the Tax Collection and Management (Wales) Act 2016; the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017; and the Landfill Disposals Tax (Wales) Act 2017;
 - the creation of a new tax collection body in Wales, the Welsh Revenue Authority; and
 - the successful transition from Stamp Duty Land Tax and Landfill Tax, to the Land Transaction Tax and Landfill Disposals Tax in Wales;
 - the introduction of a Welsh Rate of Income Tax.
3. Under section 23 of the Wales Act 2014, Welsh Ministers are required to report annually on the progress made in effecting the provisions under Part 2, until the first anniversary after the final provisions have been implemented. These annual reports, published on the Welsh Government website, detail the considerable effort that has been involved over the last six years to deliver these changes on time and within budget. A link is provided here to these annual reports, <https://gov.wales/welsh-taxes#WalesActreports>.
4. It is also important to recognise the successful implementation of these new devolved taxes owes much to the valuable contributions provided by a wide range of stakeholders and organisations.
5. These changes has placed greater accountability at the heart of the Welsh devolution settlement and ensured the Welsh Government has more responsibility for how money is raised and spent in Wales.

6. As a consequence, around £5 billion of spending in Wales is now funded through devolved and local taxation - land transaction tax, landfill disposals tax, Welsh rates of income tax, council tax and non-domestic rates.
7. We have also embarked on the next stage of tax devolution by considering new taxes for Wales. This has the potential to make a real difference to Wales - helping us to deliver our policy priorities, whether this is by changing behaviour, raising revenue to invest in our public services, improving equity, or a combination of all.
8. For the first time, we are navigating the Wales Act process to transfer the relevant powers to Wales in relation to a new tax (a tax on land suitable for development, or a vacant land tax). The current exercise is key to testing whether we have a mechanism which will deliver further opportunities for tax policy to support our objectives.

Tax principles

9. The Welsh Government's principles for the development, implementation and administration of Welsh taxes were set out in the Tax Policy Framework published in 2017.
10. These are that Welsh taxes should:
 - i) Raise revenue to fund public services as fairly as possible;
 - ii) Deliver Welsh Government policy objectives, in particular supporting jobs and growth;
 - iii) Be clear, stable and simple;
 - iv) Be developed through collaboration and involvement;
 - v) Contribute directly to the Well Being of Future Generations Act goal of creating a more equal Wales.
11. Guided by these principles, our tax strategy has ensured that we have developed taxes that are fair to the businesses and individuals who pay them; which are simple, with clear rules, aiming to minimise the costs of compliance and administration; that support growth and jobs, which in turn will help tackle poverty; and which provide stability and certainty for taxpayers.
12. Moving forward, the balance between investment in public services, the competitiveness of the Welsh economy and the impact on tax payers will continue to be at the forefront of decisions. As well as consideration of how best to use any new tax or further devolved tax as a lever to advance fairness and equality, enabling us to tackle social issues, ensuring justice and economic security.

Administration of devolved taxes

13. The measures in the Wales Act 2014 to allow for the development of devolved taxes, led to the preparation of three Welsh Tax Acts, the Tax Collection and Management (Wales) Act 2016; the Land Transaction Tax and Anti-avoidance of

Devolved Taxes (Wales) Act 2017; and the Landfill Disposals Tax (Wales) Act 2017.

14. On 1 April 2018, these Welsh Tax Acts came into force. A Tax Devolution Programme Board was established, led by HMRC. Its purpose to oversee the transition from Stamp Duty Land Tax to Land Transaction Tax, and from Landfill Tax to Landfill Disposals Tax. The Board also oversaw the Welsh Rates of Income Tax project – see paragraph 37). The Tax Devolution Programme Board provided a route for resolving project-level challenges. This board has now been formally closed.

Land Transaction Tax

15. The regulations to bring the rates and bands for Land Transaction Tax into effect were agreed by the National Assembly for Wales on 30 January 2018. These rates and bands have remained in place until they were amended in July 2020. The revised regulations increased the threshold for paying the main rate from £180,000 to £250,000.

Landfill Disposal Tax

16. The initial rates for Landfill Disposals Tax came into force on 24 January 2018. The Welsh Government committed to increase the rates of Landfill Disposals Tax in line with inflation, to maintain consistency with the UK Government's approach to Landfill Tax rates.
17. The regulations setting the Landfill Disposals Tax rates for 2020-21 were approved by the National Assembly for Wales on 28 January 2020.

Welsh Revenue Authority

18. Subsequent to the Wales Act 2014, the Tax Collection and Management (Wales) Act 2016 established the Welsh Revenue Authority (WRA) to administer the two fully devolved Welsh taxes – Land Transaction Tax and Landfill Disposals Tax.
19. The WRA was established in 2017 a non-ministerial department of Welsh Government. It began collecting the two devolved taxes from April 2018. A framework agreement between Welsh Government and the WRA sets out their relationship and the respective roles and responsibilities.
20. The WRA is committed to delivering a fair tax system for Wales through what it calls 'Our Approach' – a Welsh way of doing tax. This is a partnership-led approach, working with taxpayers, their representatives, and partner organisations, and is inspired by three Welsh terms: Cydweithio, Cadarnhau, Cywiro:

- Cydweithio - This literally means 'to work together' and carries a sense of working towards a common goal.

- Cadarnhau - This suggests a solid, robust quality that can be relied on. This is about providing certainty, being accurate and reinforcing trust.
- Cywiro - This literally means 'returning to the truth' and is about the way we work with you to resolve errors or concerns.

21. This approach, inspired by the WRA Charter, which consists of eight shared values, beliefs and standards, sees the WRA sharing its knowledge and insights with customers to enable them to pay the right amount of tax at the right time. There are processes in place for those who will deliberately try to avoid paying the right amount of tax.

22. The WRA has had a digital first approach to its services from the outset. Alongside dedicated customer service support this makes it easy for customers to file and pay their returns. The vast majority of WRA transactions are conducted digitally, with paper options available for those who cannot file or pay digitally.

23. The Minister for Finance and Trefnydd set out her expectations for the operation of the WRA over the period 2019-20 to 2021-22 in a remit letter. The letter set out the following priorities:

- Ongoing development of the WRA – to build on the WRA's achievements and to look ahead over the longer term;
- Achieving outcomes – to develop a suite of operational performance measures to identify how effectively the tax system in Wales is operating; and
- Unauthorised Disposals – that the WRA should target resources on cases which address environmental impacts and place legitimate landfill businesses at a disadvantage.

24. The WRA's first three year corporate plan 2019-22, agreed by the Minister for Finance and Trefnydd and published in May 2019, reflects these complementary expectations, all aimed towards supporting taxpayers to pay the right amount of tax at the right time.

25. The plan is set in the context of the organisation's purpose:

- i. to design and deliver Welsh national revenue services;
- ii. to lead the better use of Welsh taxpayer data for Wales.

26. The WRA's current strategic objectives are:

- a. Making it easier;
- b. Ensuring we are fair;
- c. Being more efficient;
- d. Enhancing our capability.

As well as two further objectives that aim to make the most out of the WRA's role:

- e. Data - Making the most of data assets for the benefit of Wales.
 - f. Design - Using experience and expertise to support the design of Welsh revenue services.
27. This year the WRA has led on work to consider how to make the best use of Welsh taxpayer data. While sharing information on the type of data the WRA now holds on the devolved taxes, with Welsh Government and Local Authorities, areas of common interest and possible opportunities to collaborate on improving services have been identified. The security of taxpayer data is always paramount to this work.
28. The Design objective has seen collaboration across Welsh Government and WRA to bring together a range of skills and expertise, to support early thinking on the design of any potential new revenue services. This way of working has also benefited changes to the existing two taxes.
29. The 2019-22 corporate plan includes a set of performance measures. As the WRA's approach is different, so are the nine performance measures, reflecting the new Welsh way of doing tax. The targets have been set for the end of the corporate plan period (2021-22). The WRA will report on these measures for the first time in its 2019-20 Annual Report, due to be published in Autumn 2020 – using both narrative examples and data.
30. The WRA's latest annual accounts published in July 2020 record the Authority raised £260 million through Land Transaction Tax revenues and £37 million through the landfill disposals tax revenues during 2019-20. The WRA processed just over 61,000 LTT returns, a similar volume to the previous period.
31. The WRA has been faced with particular operational challenges as a result of the flooding of its headquarters at Trefforest in February followed by the impact of the Covid-19 pandemic. The cloud based system and the primary focus on digital provision of its services has ensured the WRA has been able to maintain services with minimal disruption.

Welsh Rates of Income Tax (WRIT)

32. Sections 8 to 11 of the Wales Act 2014 provide for Welsh basic, higher and additional rates of income tax to be set by the Senedd by way of resolution, and further define "Welsh taxpayers".
33. The Wales Act 2014, when originally enacted, made provision for a referendum to be held in Wales about whether the income tax provisions set out in the Act should come into force. These provisions in relation to a referendum were subsequently removed by section 17 of the Wales Act 2017.
34. The Welsh Government's fiscal framework, agreed by the Welsh and UK governments in December 2016, confirmed the Welsh Government would introduce WRIT in 2019-20, subject to removal of the requirement for a referendum.

35. WRIT was introduced on 6 April 2019. For non-savings and non-dividend income, the UK Government reduced each of the three rates of income tax – basic, higher and additional rates – paid by Welsh taxpayers by 10p. On 15 January 2019, the Senedd agreed the Welsh Government's proposal to set the Rates of Income Tax for 2019-20 at 10p, ensuring the rates paid by Welsh taxpayers remained the same as those paid by English and Northern Irish counterparts.
36. HMRC retains responsibility for the collection and management of WRIT. In competence and legal terms this remains a UK tax, as are the associated arrangements for all allowances and reliefs (including the personal allowance), the tax thresholds and bands. The UK Government continues to retain the revenues from Income Tax on savings and dividend income from taxpayers in Wales.
37. Preparations for the introduction of WRIT were overseen by a cross-Government Welsh Rates of Income Tax Project Board, sitting below the Welsh Tax Devolution Programme Board, and comprising representatives of the Welsh Government, HMRC and HM Treasury.
38. As the project to implement Welsh Rates of Income Tax is now largely completed and WRIT has moved into Business as Usual operation, the project Board has transitioned to the Welsh Income Tax Board which will oversee the Business As Usual (BAU) arrangements.
39. The remaining outstanding actions in respect of the preparation of the Annual Tax Summary statement and the formal closure of the project will be managed through the new Board structure. The Board meets quarterly to monitor progress and is jointly chaired by Welsh Government and HMRC.
40. Both the Wales Audit Office and National Audit Office reviewed the preparations in the months before introduction and concluded that HMRC had appropriate delivery and governance arrangements in place to implement WRIT.
41. The outturn from the first year of income tax devolution (2019-20) will be published by HMRC in summer 2021.
42. Maintaining the accuracy of the Welsh taxpayer population is fundamental to the administration of WRIT. The Service Level Agreement (SLA) between Welsh Government and HMRC includes performance measures designed to ensure there is a continued focus on identifying and maintaining an accurate and robust record of the Welsh taxpayer population. The SLA includes a regular cycle of activity, including HMRC data scans, to ensure the accuracy of the data. One of the key requirements is for HMRC to report annually on its delivery of the agreed services.
43. The performance of WRIT is subject to audit by the Auditor General for Wales in the context of the production of the Welsh Consolidated fund and the National Audit Office. This is to ensure the adequacy of HMRC's rules and procedures put in place, in consequence of the Welsh rates provisions, for the purpose of

ensuring the proper assessment and collection of income tax charged at rates determined under those provisions.

44. Following an audit of the HMRC accounts, an extract covering all matters relating to WRIT will be made available to the Senedd. This is currently planned for January 2021.

The approach to taxation in Wales

45. Our annual tax work plan sets out how we are taking forward the development of tax policy in Wales. The latest published version relates to 2019. The 2020 Work Plan has been delayed due to the impact of the Covid-19 pandemic.

46. The issues addressed through the annual tax work plans can be grouped into the following three themes:

- Develop tax policy as fairly as possible, aligned with Welsh Government policy priorities, and in collaboration with stakeholders.
- Operate Welsh taxes within a UK context.
- Increase knowledge and understanding about taxes in Wales.

47. The balance between investment in public services, the competitiveness of the Welsh economy and the impact on tax payers will be at the forefront of decisions, just as we use taxes as a lever to advance fairness and equality, enabling us to tackle social issues, including justice and economic security.

48. In particular we are continuing to pursue the devolution of a new tax (a vacant land tax) to Wales, testing the mechanism and the requirements of the process for the first time.

Mechanism for devolving powers

49. Continuing to build the capacity and capability required for the development and administration of the devolved taxes continues to be a key priority.

50. We are continuing to work with the UK Government to secure the devolvement of tax competence in respect of vacant land. A written statement was issued on w/c 7 September updating the Senedd Cymru on the latest position. I also wrote separately to the Chairs of the Legislation, Justice and Constitution and Finance Committees on this.

51. Alongside this, we are currently consulting on further legislation in Wales which will ensure Welsh Ministers can make changes to the “Welsh Tax Acts” at short notice in the following circumstances:

- to stop avoidance or evasion of the devolved Welsh taxes;
- to comply with international obligations;

- in situations of exceptional need (such as in response to a tribunal or higher courts decision);
- in specific circumstances where Welsh Ministers consider it in the public interest to do so; and
- in particular, in response to tax policy changes made by the UK government.

Fiscal framework

52. The framework underpinning the Welsh Government's funding arrangements is set out in two key documents: the statement of funding policy and the Welsh Government's fiscal framework agreement.
53. The statement of funding policy describes the detailed workings of the Barnett formula and how this is used to determine changes to the block grants for each of the devolved administrations. It also details a number of other elements of devolved finance arrangements. It was last published in 2015 alongside the comprehensive spending review in that year. The UK Government is planning to publish an updated version this year to accompany the forthcoming spending review.
54. The fiscal framework agreement was published in December 2016. It enabled the implementation of the tax and borrowing powers included in the Wales Acts 2014 and 2017. The agreement also introduced changes to the way the Barnett formula operates in Wales.
55. The following sections address various aspects of the fiscal framework. The fully devolved taxes, land transaction tax and landfill disposals tax, were introduced in April 2018 and the Welsh rates of income tax in April 2019. It is therefore still early to assess the performance of the fiscal framework in relation to the implementation of the devolved taxes. However, the sections below include some preliminary consideration of performance so far.

Block grant / Barnett formula

56. The Welsh Government is largely funded through a single unhypothecated block grant. Changes to the block grant are determined by the Barnett formula. Under this formula, the block grant in any given year is equal to the block grant in the previous year plus a population share of changes in UK Government spending on areas which are devolved to the Welsh Government.
57. At the time of a spending review this process involves a degree of approximation. UK Government plans for future years are only initially available at a departmental level. As some UK departments cover both devolved and non-devolved functions, it is not possible to say precisely what the change in funding for areas which are devolved will be. To address this, the percentage split

between devolved and non-devolved spending from a base year is applied to the overall change in each UK department's budget over the period covered by the spending review.

58. These department-level percentages or comparability factors are calculated by assessing whether each individual spending programme is devolved or not. The spending on programmes which are deemed to be devolved is added up for the base year (usually the year prior to the period covered by the spending review) and divided by that department's overall budget. The comparability factors are calculated by the UK Government in the run up to a spending review and published in the statement of funding policy. The Devolved Administrations are consulted as part of this process.
59. The fiscal framework agreement introduced a new element to the Barnett formula in Wales. Changes to the Welsh Government's block grant are multiplied by a needs based factor. This is intended to address the convergent property of the Barnett formula which, if unreformed, would mean relative funding per person in Wales would fall towards the level in England. The needs based factor will be set at 115%, based on the range of relative need recommended by the [Holtham Commission](#) and the funding floor implemented in the 2015 Spending Review. For a transitional period, while relative block grant funding per person in Wales is above 115% of equivalent funding per person in England, the factor is set at 105%.
60. The needs based factor has been applied to changes in the Welsh Government's block grant since 2018-19, compared to a 2017-18 baseline. It has delivered a total of around £360 million additional funding to date, with about half of that in relation to coronavirus funding in 2020-21.
61. The Welsh Government's long term aim is for a needs based funding system which operates consistently across the UK. This is set out in the 2018 paper [Reforming UK funding and fiscal arrangements after Brexit: Securing Wales' Future](#) and summarised in the finance section of [Reforming our Union: Shared Governance in the UK](#). In the meantime, the addition of a specific needs based factor means that for the first time relative funding in Wales takes account of Wales' relative need to fund devolved public services. Its introduction goes some way to delivering a fairer funding system for Wales.

Governance arrangements and specific funding allocations outside Barnett

62. The papers referenced above set out the Welsh Government's views on how devolved finance arrangements should be reformed. As noted in those papers, the current arrangements in the statement of funding policy are imposed by the UK Government. There is little meaningful consultation with the devolved governments and the arrangements are not jointly agreed. As a result, those

processes have been brought into dispute. For example, in 2017 the Welsh and Scottish Governments jointly raised a disagreement following the UK Government's decision to allocate an additional £1bn to Northern Ireland as part of the confidence and supply agreement between the Conservative Party and the Democratic Unionist Party following the 2017 General Election.

63. The current system should be replaced by jointly-agreed funding arrangements based on consent and cooperative working. This should operate with the UK Government and all of the devolved administrations, ending bilateral deals and agreements to bring consistency and clarity to the fiscal arrangements within the UK.
64. As noted earlier, the statement of funding policy will be revised in the run up to the spending review in the current year. The Welsh Government will be consulted as part of the process, however it will remain a UK Government document and revisions are unlikely to address the issues raised here.

Block grant adjustments

65. The fiscal framework agreement includes details of the block grant adjustments introduced alongside the devolved taxes. The adjustments reduce the Welsh Government's block grant, reflecting the fact that devolved tax revenues now go directly to the Welsh Government rather than the UK Exchequer.
66. The adjustments for the two fully-devolved taxes work from a baseline which reflects tax collected under the predecessor UK tax in Wales in the year prior to devolution (2017-18). The annual block grant adjustments (BGAs) are grown from this baseline reflecting changes in the equivalent UK Government tax in England and Northern Ireland.
67. The BGA accompanying the introduction of the Welsh rates of income tax in 2019-20 included a transitional arrangement, as the baseline position for the tax base at the point of devolution was not known. In the first year the adjustment was set at the expected level of revenues collected in Wales from 10p of tax in each band (applied to non-savings non-dividend income). With the Welsh Government setting the devolved tax rates at 10p in each band, the block grant adjustment was the same as the devolved revenues in 2019-20. As a result, there was no net impact on the Welsh Government budget from income tax devolution in the first year. From 2020-21 onwards the block grant adjustment for each band will increase or decrease reflecting growth in 10p's worth of income tax (from non-savings non-dividend income) in England and Northern Ireland.
68. The precise mechanism used to calculate the BGAs is known as the comparable model and is set out in detail in the fiscal framework agreement. The BGAs are

based on the Office for Budget Responsibility's (OBR) forecasts of UK Government tax revenues.

69. For the Welsh rates of income tax, the BGA is fixed before the beginning of the year in question, using the previous autumn's Economic and Fiscal Outlook (EFO). The BGAs for the fully devolved taxes are also set using the previous autumn's EFO but are revised in-year using the following autumn's EFO.

70. For 2020-21 the BGAs for all taxes have been set using the March 2020 EFO, because there wasn't an EFO in autumn 2019. The final BGAs for 2018-19 and 2019-20 and the current BGAs for 2020-21 are shown in table 1.

Table 1: Block Grant Adjustments

	2018-19 ¹	2019-20 ²	£ million 2020-21 ³
Land Transaction Tax	241.8	234.8	260.9
Landfill Disposals Tax	26.5	24.9	24.7
Welsh Rates of Income Tax		2,059.4	2,156.3
Of which: Basic rate		1,778.4	1,854.3
Higher rate		237.3	248.9
Additional rate		43.6	53.2

1. Based on OBR autumn 2018 Economic and Fiscal Outlook

2. LTT and LDT based on OBR December 2019 Welsh Taxes Outlook
WRIT based on autumn 2018 Economic and Fiscal Outlook

3. All based on OBR March 2020 Economic and Fiscal Outlook

71. The revenue outturns and current year forecasts for the fully devolved taxes and the current forecasts for WRIT are shown in Table 2. The coronavirus pandemic will affect revenues in 2020-21 across the devolved taxes. For budgetary purposes, the WRIT revenues in the current year are now fixed. The difference between the figures in table 2 and the eventual outturn will be taken into account in a reconciliation exercise. This will be combined with any change to the BGA shown in table 1, in the light of England and Northern Ireland outturn. The relevant income tax outturn information for 2020-21 will be available in the summer of 2022. The overall reconciliation adjustment will then be applied to the Welsh Government's block grant for 2023-24.

72. The OBR revenue forecasts for the fully devolved taxes in 2020-21 will be revised in the autumn, alongside the associated BGAs.

Table 2: Devolved tax revenues

	2018-19 ¹	2019-20 ¹	£ million 2020-21 ²
Land Transaction Tax ³	227.9	260.3	254.0
Landfill Disposals Tax	44.4	36.9	34.2
Welsh Rates of Income Tax		2,059.4	2,169.7
Of which: Basic rate		1,778.4	1,864.2
Higher rate		237.3	251.3
Additional rate		43.6	54.1

1. Outturn for LDT and LTT from Welsh Revenue Authority annual accounts

WRIT for 2019-20 from OBR autumn 2018 Economic and Fiscal Outlook

2. All forecasts from OBR March 2020 Economic and Fiscal Outlook

3. 2019-20 LTT outturn affected by £28.2m tax liability associated with Transport for Wales purchase of Core Valleys Lines from Network Rail, with no overall net resource benefit to Welsh Government.

73. With just two years of outturn information for the fully devolved taxes and none yet for the Welsh rates of income tax, it is early to judge how well the budgetary treatment of devolved taxation is performing. In aggregate, the revenues from land transaction tax and landfill disposals tax over the two years for which there is outturn are a little higher than the associated BGAs. This will reflect a number of factors, including: tax policy choices, tax administration performance, the property market and wider economic conditions.

74. The delay before outturn information is available for income tax revenues means that this element of the fiscal framework cannot be properly assessed for Wales at the moment. The long lag before reconciliation adjustments are applied can clearly lead to budgetary issues in future years, as has recently been observed in Scotland.

75. The differences between income tax devolution in Wales and Scotland are likely to mean that reconciliation issues are less severe in Wales. In Scotland, all income tax on non-savings non-dividend income is devolved. With just 10p of each tax rate devolved in Wales, the Welsh Government has less exposure to the risks associated with differential income tax revenue growth. The separate BGAs for each income tax band in Wales should also help to reduce this risk, by weighting the overall BGA in a way that more closely resembles the Welsh income tax base. Scotland has a single BGA for income tax.

76. The Welsh Government will continue to monitor the arrangements carefully across all the devolved taxes and will raise any concerns with the UK Government.

Budget management tools

77. The fiscal framework agreement included the creation of a Wales Reserve. The Welsh Government can save surplus revenues and unused block grant funding in

the Wales Reserve, up to a limit of £350m. The Reserve started operating at the end of 2017-18, with the Welsh Government able to save underspends to support tax devolution and manage other budget pressures in the following year. It can draw down up to £125m of resource and £50m of capital in any year.

78. Table 3 shows the starting position for the Reserve in each of the years that tax devolution has been in operation. The overall £350m limit on the Reserve and the annual drawdown limit, combined with late changes to the Welsh Government's block grant via the UK Supplementary Estimates process, have made the management of the Welsh Government's end year position very challenging over the last two years. This part of the budgetary process would be smoother and more effective if the limits were increased.

Table 3: Wales Reserve position at the start of each year

	£ million		
	2018-19	2019-20	2020-21 ¹
Resource	270	304	232
Traditional Capital	53	8	39
Financial Transactions Capital	1	14	66
Total	325	326	337

1. Provisional

79. The Welsh Government can borrow up to £200m each year for resource purposes, within an overall cap of £500m, if tax revenues are lower than forecast. Repayments must be within 5 years.

80. The Welsh Government has not made use of this facility yet. The Scottish Government has used its equivalent facility to cover the 2017-18 income tax reconciliation payment in the current year.

81. Given the challenges with the current Reserve limits noted above, there are particular concerns that the available budget management tools will not be sufficient to deal with the additional uncertainty associated with the coronavirus pandemic in the current year, and potentially in future years. The Welsh Government has been provided with an additional £4bn to finance its response to the pandemic this year. The scale of this additional in-year funding, combined with disruption to existing expenditure programmes and the potential impact on tax revenues means that the Government is facing unprecedented levels of uncertainty.

82. Discussions with the UK Government have led to the guaranteed £4bn additional funding, ahead of associated spending announcements in England, which provides some reassurance regarding one aspect of in-year budget management. However, there could still be substantial changes later in the year.

As noted in the fiscal framework agreement, Welsh Ministers can request additional flexibility in exceptional circumstances. The situation in the current year is exceptional and the Welsh Government is making the case for additional flexibilities this year, as well as longer term changes to the limits.

Capital Borrowing

83. The Welsh Government can borrow up to £150m a year for capital purposes, with an overall limit of £1bn. It borrowed £65m in 2018-19 but did not require the facility in 2019-20 due to the UK Government providing additional capital spending in-year, which to use at short notice meant the planned capital borrowing for that year was no longer required. The 2020-21 budget plans assume £125m of capital borrowing.

84. Capital spending will form a vital element of the Welsh Government's plans for reconstruction in the wake of the coronavirus pandemic. We do not yet know the level of capital funding that will come via the block grant next year and beyond. However, it is quite possible that the Welsh Government will need to make the case for increased capital borrowing limits in order to effectively support the economic recovery.

Spill-over effects

85. The treatment of tax-related spill-over effects and mechanisms to deal with them were agreed by the Welsh Government as part of the overall fiscal framework agreement. More general spill-over effects are treated in the statement of funding policy and have been the cause of disagreement in the past. This section only discusses the arrangements in the fiscal framework agreement.

86. One of the most likely UK Government policy changes to impact on Welsh Government revenues would be changes to the income tax personal allowance. The income distribution is more concentrated at the lower end in Wales than in England. This means that changes to the personal allowance have a greater relative impact on revenues in Wales. The BGA arrangement provides a mechanism to deal with this particular spill-over effect. As noted above, the separate BGAs for each tax band mean that the combined BGA behaves more like the Welsh tax base than would be the case with a single, unweighted BGA. As a result, the effect of personal allowance changes on the separate BGAs is more like that on Welsh tax revenues, helping to take account of the asymmetric revenue impact.

87. There has been no specific application yet of the other arrangements to deal with spill-over effects set out in the fiscal framework agreement.

International comparisons

88. The paper *Reforming UK funding and fiscal arrangements after Brexit: Securing Wales' Future* referenced earlier includes some examples at Annex 1 of fiscal decentralisation in other countries.

Document is Restricted

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref : RE-400-20

Llyr Gruffydd MS,
Chair, Finance Committee,
Welsh Parliament,
Cardiff Bay,
Cardiff
CF99 1NA

18 November 2020

Dear Llyr,

The Welsh Government's audited Consolidated Annual Accounts for 2019-20 were published on 2 November 2020. In line with my commitment to good practice and transparency I am now able to provide the Finance Committee with a written report on the 2019-20 final outturn for the Welsh Government set against spending plans approved in the Second Supplementary Budget 2019-20.

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. The additional detail provided in the report addresses recommendation number 4 in your report "Scrutiny of Welsh Government Second Supplementary Budget 2019-2020" published in February 2020.

I am happy to make the Finance Director and his staff available for discussion of the detail of the report if that would be helpful.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

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

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

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 2019-20

A report from the Minister for Finance and Trefnydd to the Senedd Finance Committee on the audited outturn of the Welsh Government 2019-20 set against the planned expenditure contained in the Second Supplementary Budget 2019-20. Published in November 2020.

Contents

1. Introduction	2
2. Main Expenditure Group Outturn 2019-20	3
3. Carry Forward within the Wales Reserve	11
ANNEX 1: Resource DEL Outturn by BEL	14
ANNEX 2: Capital DEL Outturn by BEL	21
ANNEX 3: Annually Managed Expenditure (AME) Outturn by BEL	25

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 2019-20.

1.5 The Second Supplementary Budget for 2019-20, was approved by the National Assembly on 3 March 2020. The final outturn follows publication of the Welsh Government's Consolidated Annual Accounts on 2 November 2020. See the attached internet link:

<https://gov.wales/welsh-government-consolidated-annual-accounts-2019-2020>

1.6 There were no 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 annual accounts.

2. Main Expenditure Group¹ Outturn 2019-20

- 2.1** The Consolidated Accounts of the Welsh Government were laid before the Assembly on 2 November 2020. The audited accounts contain a Summary of Resource Outturn against the control totals approved in the Second Supplementary Budget motion of 2019-20.
- 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.
- 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** For the first time, to provide greater transparency, the outturn has been analysed further to the level published in the Second Supplementary Budget 2019-20. The budget tables published show a break-down into Budget Expenditure Lines or 'BELs'. The outturn against the budget is now provided on this basis in the Annexes to this report.

Resource (Revenue) DEL Outturn

Fiscal Resource DEL²

- 2.5** The Fiscal Resource outturn for the year resulted in an overspend of £48.3m representing a 0.3% variance to budget.

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

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

2.6 The spend in this budget classification was affected by the Welsh Government's response to the flooding that occurred at the end of the financial year. In addition, a small amount of the government's pandemic response fell in the final month of the year. As a result three MEGs reported overspends.

2.7 Table 1 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 1: Fiscal Resource Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Health & Social Services	7,844,903	7,849,996	-5,093	-0.06
Housing & Local Government	3,845,051	3,849,621	-4,570	-0.12
Economy & Transport	527,025	568,025	-41,000	-7.8
Education	1,425,085	1,424,971	114	<0.01
Environment, Energy & Rural Affairs	186,655	185,276	1,379	0.74
International Relations & Welsh Language	156,652	156,408	244	0.16
Central Services & Administration	348,078	347,453	625	0.18
TOTAL	14,333,449	14,381,750	-48,301	-0.34

2.8 The main reason for the £5m overspend reported in the Health and Social Services MEG was the impact of an unforeseen increase in prescribing costs within the NHS in the month of March. This was as a result of increased levels of prescribing prior to the implementation of the pandemic lock-down in March. The outturn includes the Local Health Board and NHS Trust net deficit of £88.7m (as per NHS Final Accounts). This has been offset by the planned provision set aside within the MEG.

2.9 The overspend in the Housing and Local Government MEG included £4.6m on revenue budgets and was due to unplanned support via the Emergency Financial Assistance Scheme and the Discretionary Assistance Fund. The funding was provided in the wake of flood damage caused by the storms affecting Wales at the beginning of 2020. Additional costs incurred by local authorities in March in response to the pandemic, increased the pressure on revenue budgets further.

2.10 The Economy and Transport revenue budget represents 85% of the total overspend. The budget was impacted by the pandemic response late in the financial year. An overspend of £41m was reported which represents reimbursement of local authority payments to provide grant support for small businesses and the leisure, hospitality and retail sectors.

Non Fiscal Resource DEL³

2.11 The Non Fiscal Resource budget was underspent by £194.2m or 20% 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.

2.12 Of this underspend 93% or £181.5m related to the provision for write off of student loans within the Education MEG. In the year of account the budget included a large level of contingency to safeguard against impacts arising from the uncertainty relating to Brexit and the outcome of the general election. The full contingency did not crystallise.

2.13 The remaining underspend related to unused depreciation charges on Welsh Government property.

Capital DEL Outturn

2.14 An underspend of £46.9m was reported against Capital budgets representing a 2.1% variance against budget. Capital DEL is split between General Capital and Capital Financial Transactions.

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

General Capital⁴

2.15 The Capital DEL underspend for 2019-20 was £36.3m, a 1.9% variance against budget. Within the underspend, two MEGs underspent by more than 1% with one MEG overspending (by 0.1%).

2.16 Table 2 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 2: General Capital Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Health & Social Services	426,952	425,851	1,101	0.26
Housing & Local Government	644,949	644,760	189	0.03
Economy & Transport	501,986	467,295	34,691	6.91
Education	238,042	237,955	87	0.04
Environment, Energy & Rural Affairs	89,893	90,006	-113	-0.13
International Relations & Welsh Language	20,520	20,181	339	1.65
Central Services & Administration	15,001	15,000	1	0.01
TOTAL	1,937,343	1,901,048	36,295	1.87

2.17 The largest element of the underspend (96%) was within the Economy and Transport MEG. A significant amount of this underspend was a result of grant support to companies not being drawn down as expected. ICT programme support was also lower than anticipated after the culmination of the first phase of the Superfast Broadband programme. Further savings were realised on the budget for the potential tax liability on the acquisition of the Core Valleys Lines. There was also a reduced requirement on some local authority local active travel schemes. Some of the underspend was offset by the deferral of land and property disposals into future years.

2.18 The only overspend reported, albeit small, was against the Environment, Energy and Rural Affairs MEG. This was due to an increase of emergency flood capital claims from local authorities in response to the serious flooding in Wales in February.

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

2.19 A small underspend was reported in the International Relations and Welsh Language MEG. Slippage was reported on a number of capital grant schemes including those in sponsored bodies.

Capital Financial Transactions (FTs)⁵

2.20 There was an underspend of £10.6m on the capital financial transactions budget equating to a 4.4% variance against the budget.

2.21 Table 3 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 3: Capital FT Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Housing & Local Government	130,397	129,268	1,129	0.86
Economy & Transport	93,587	88,615	4,972	5.31
Education	10,449	10,449	-	-
Environment, Energy & Rural Affairs	1,281	1,281	-	-
International Relations & Welsh Language	-390	-390	-	-
Central Services & Administration	4,500	0	4,500	100.00
TOTAL	239,824	229,223	10,601	4.42

2.22 An underspend of almost £5m in the Economy and Transport MEG has resulted from some slippage in drawdown of funding for infrastructure project support, loan support for SMEs not being drawn, as well as some spend occurring in earlier years having an impact on the profile requirement.

2.23 The total budget underspend in the Central Services and Administration MEG arose due to a delay in setting up two schemes which were approved late in the financial year. The two schemes were the Community Asset Fund (£1m) and the Social Investment Fund (£3.5m).

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

Annually Managed Expenditure (AME) Outturn

2.24 A large proportion of the variance reported in the annual accounts relates to underspends against AME budgets.

2.25 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.

2.26 Table 4 sets out the year end position. Explanations for variances as determined in paragraph 2.3 follow.

Table 4: AME Outturn by MEG	Budget £000	Outturn £000	Under/ Over(-) Spend £000	%
Health & Social Services	338,819	163,738	175,081	51.67
Housing & Local Government	1,093,700	1,116,724	-23,024	-2.11
Economy & Transport	75,437	43,373	32,064	42.50
Education	759,381	705,786	53,595	7.06
Environment, Energy & Rural Affairs	2,400	73	2,327	96.96
International Relations & Welsh Language	3,013	281	2,732	90.67
Central Services & Administration	2,977	-2,958	5,935	199.36
TOTAL	2,275,727	2,027,017	248,710	10.93

2.27 The Health and Social Services AME budget was £175.1m underspent which represents 70% of the total AME underspend. A provision included in the accounts for GP medical indemnity arrangements was delayed causing a £60m underspend. Following a periodic review there was a lower than expected Welsh Risk Pool provision for medical negligence and personal injury claims adding £53m to the underspend. The expected NHS

Clinicians Pension provision did not crystallise adding a further £20m. Independent valuations of the NHS estate in the year resulted in lower impairments than expected and a £30m underspend. Some of the related expenditure will be incurred in 2020-21.

- 2.28** The Housing and Local Government MEG AME budget overspent by £23m. The variance was due to fair value accounting adjustments made in respect of Help to Buy scheme properties. Incorporating pandemic impact assumptions within the model resulted in a resulted in a £23m loss of value.
- 2.29** The AME variance of £32.1m within the Economy and Transport MEG was made up of two almost equal elements. Half of the underspend related to the Careers Wales pension provision which is based on an actuarial valuation. This charge has fluctuated considerably over the last few years and was much less than anticipated in this year. The other half was associated with property valuations where there were lower impairment levels than anticipated on investment properties.
- 2.30** An underspend of £53.6m was reported against the Education AME budget which relates to the student loans issues and repayments budgets. Loan issues and repayments in the year were less than anticipated. This reflects the contingency included within the original budget to ensure cover for the demand-led nature of Student Loan funding.
- 2.31** There was a £2.7m AME underspend against the International Relations and Welsh Language MEG. This related to the budget requirements covering pension liabilities of the National Library of Wales and the National Museum & Galleries of Wales which were not needed.
- 2.32** The underspend of £2.3m reported against the Environment, Energy and Rural Affairs MEG relates to potential pension liabilities arising from the

transfer of staff from the Environment Agency Wales to Natural Resources Wales on 1 April 2013. The budget has been included in each year since the transfer to cover a worst case scenario but only a very small amount has been utilised.

2.33 The Central Services and Administration MEG reported an underspend of £5.7m. As in previous years this variance was in relation 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 also 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 and £50m Capital.
- 3.2** In the Second Supplementary Budget 2019-20, the Welsh Government reported unallocated Fiscal Resource DEL of £98.2m, General Capital DEL of £4.1m and Capital FT DEL of £44.4m. These amounts were unused and so have been added to the Wales Reserve for use in future years.
- 3.3** The full available drawdown of £125m Fiscal Resource was reflected in unallocated DEL in the Final Budget 2019-20. The available balance brought forward on General Capital of £8.4m was also drawn from the Wales reserve into unallocated capital DEL in the Second Supplementary Budget. These drawdowns are reflected as movements within the Wales Reserve.
- 3.4** The Fiscal Resource DEL overspend and the General Capital and Capital FT DEL underspends documented in this report above have been added to the Wales Reserve.
- 3.5** The outturns of the other bodies funded from the Wales DEL must also be taken account of. These relate to the Senedd Commission, the Public Services Ombudsman for Wales and the Wales Audit Office.
- 3.6** Devolved taxes were anticipated in the Second Supplementary Budget of £297.8m. The actual taxes collected amounted to £297.2m. The Wales Reserve has absorbed the shortfall of £0.6m.

- 3.7** Repayable capital financial transactions DEL is returned to HM Treasury by a reduction of the Wales reserve balance in accordance with the repayment profile agreed with HM Treasury. We effectively repaid £2.2m in 2019-20.
- 3.8** Unallocated and unspent Non Fiscal Resource DEL lapses and cannot be carried forward within the Wales Reserve.
- 3.9** Table 5 illustrates the balance of the Wales Reserve going into the 2020-21 financial year.

Table 5 Wales Reserve balance including carry forward resulting from Wales DEL outturn 2019-20

Wales Reserve	Fiscal Resource £m	Capital £m	Capital FTs £m	Total £m
Balance at 1 April 2019⁶	304.2	8.4	104.3	416.9
HMT Budget Reduction	-	-	-90.0	-90.0
Unallocated DEL in Second Supplementary Budget 2019-20	98.2	4.1	44.4	146.7
Direct Charges	-1.5	-	-	-1.5
Drawdown from the reserve	-125.0	-8.4	-	-133.4
Welsh Government outturn	-48.3	36.3	10.6	-1.4
Other bodies outturn	1.6	-0.2	-	1.4
Devolved taxes outturn	-0.6	-	-	-0.6
Repayment of repayable capital to HM Treasury	-	-	-2.2	-2.2
Balance at 1 April 2020	228.6	40.2	67.1	335.9

- 3.10** The balances to be carried forward for the Wales DEL will be £228.6m Fiscal Resource, £40.2m General Capital and £67.1m Capital Financial Transactions. The total balance to be carried within the Wales Reserve at 1 April 2020 is £335.9m which is within the limit set by HM Treasury.

⁶ The balance at 1 April 2019 was reduced by HM Treasury following completion of the 2018-19 report on outturn (Fiscal Resource £1.3m General Capital £0.4m).

3.11 Plans to utilise funds from the Wales Reserve feature in the published Welsh Government's budgets for 2020-21.

3.12 Welsh Government plans in the current financial year include £125m drawdown from the Wales Reserve. The latest plans for the current year are included in the Second Supplementary Budget 2020-21 which was published on 20 October 2020.

ANNEX 1: Resource DEL⁷ Outturn by BEL

HEALTH & SOCIAL SERVICES RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend £000s	%
Core NHS Allocations	7,129,731	7,179,872	-50,141	-0.70
Other Direct NHS Allocations	293,794	284,160	9,634	3.28
Health Education Improvement Wales	215,766	211,324	4,442	2.06
Public Health Wales	97,690	97,694	-4	-0.00
Workforce (NHS)	34,274	33,766	508	1.48
A Healthier Wales	101,650	81,743	19,907	19.58
Other NHS Budgets	-18,550	-32,121	13,571	-73.16
Education and Training	21,906	20,380	1,526	6.97
Workforce Development Central Budgets	2,885	2,446	439	15.23
Mental Health	4,269	3,518	751	17.59
Substance Misuse Action Plan Fund	26,325	27,239	-914	-3.47
Food Standards Agency	3,806	3,853	-47	-1.24
Health Improvement & Healthy Working	12,745	9,459	3,286	25.78
Targeted Health Protection & Immunisation	6,133	5,938	195	3.18
Health Emergency Planning	6,025	9,185	-3,160	-52.45
Safeguarding & Advocacy	2,357	1,516	841	35.67
Older People Carers & People with Disabilities	2,197	2,066	131	5.94
Partnership & Integration	227	135	92	40.53
Care Sector	299	59	240	80.35
Sustainable Social Services	10,135	12,018	-1,883	-18.58
Social Care Wales	19,406	19,253	153	0.79
Older People Commissioner	1,589	1,609	-20	-1.23
Support for Childcare and Play	55,351	55,320	31	0.06
Support for Children's Rights	991	829	162	16.39
Supporting Children	3,289	3,416	-127	-3.87
Children's Commissioner	1,580	1,580	0	0.01
Support for Families and Children	2,795	2,389	406	14.53
CAFCASS Cymru	11,738	11,969	-231	-1.97
Total	8,050,403	8,050,614	-211	-0.00

⁷ The published budget tables report the Resource DEL total i.e. Fiscal and Non Fiscal.

HOUSING AND LOCAL GOVERNMENT RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Local Govt General Revenue Funding	3,272,384	3,272,396	-12	-0.00
City & Growth Deals	10,000	10,000	0	0.00
Police General Revenue Funding	90,350	90,350	0	0.00
Non-Domestic Rates Rates Relief	30,100	24,312	5,788	19.23
Local Govt PFI Revenue Consequences	3,256	3,256	-0	-0.01
Transformation & Legislation	5,865	3,675	2,190	37.33
Non-Domestic Rates Collection Costs	5,172	5,172	0	0.00
Emergency Financial Assistance Scheme	1	6,789	-6,788	-678,754.37
Valuation Office Agency Services	8,561	9,111	-550	-6.43
Valuation Tribunal for Wales	1,040	1,033	7	0.65
Local Taxation Research & Analysis	100	114	-14	-14.05
Sponsorship of the Local Democracy and Boundary Commission for Wales	598	598	0	0.00
Expenditure to Promote Local Democracy	126	73	53	42.06
Improvement & Support	1,823	2,107	-284	-15.57
Academi Wales	1,134	1,009	125	11.01
Community and Town Councils	144	163	-19	-13.39
Public Services Boards	530	913	-383	-72.33
Supporting Communities	578	417	161	27.83
Children and Communities Grant	136,442	137,473	-1,031	-0.76
Housing Support Grant	126,763	126,752	11	0.01
Financial Inclusion	13,902	16,613	-2,711	-19.50
Digital Inclusion	2,000	1,930	70	3.48
Fire & Rescue Services	8,405	8,228	177	2.10
Fire & Rescue Services - Communication Systems	1,765	3,858	-2,093	-118.58
Community Fire Safety	848	1,186	-338	-39.81
Homelessness	13,457	12,473	984	7.31
Housing Policy	4,884	5,379	-495	-10.14
Housing Finance Grant	13,100	13,057	43	0.33
Housing Programme Revenue Funding	1,073	1,239	-166	-15.48
Regeneration	2,648	4,094	-1,446	-54.59
Cardiff Harbour Authority	5,400	4,399	1,001	18.54
Resource Efficiency and Circular Economy	37,755	36,931	824	2.18
Landscape & Outdoor Recreation	9,966	9,953	13	0.13
Planning & Regulation Expenditure	5,096	4,638	458	8.98
Care Inspectorate Wales	14,233	14,300	-67	-0.47
Healthcare Inspectorate Wales	4,529	4,540	-11	-0.24
Estyn - Programme Expenditure	11,223	11,345	-122	-1.09
Land for Housing	0	-67	67	-
Total Resource	3,845,251	3,849,810	-4,559	-0.12

ECONOMY AND TRANSPORT RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Business and Regional Economic Development	3,793	45,770	-41,977	-1,106.70
Entrepreneurship	7,635	10,296	-2,661	-34.85
Social Enterprise and Economy	730	881	-151	-20.72
Business Wales	7,364	9,418	-2,054	-27.89
Tech Valleys	1,000	10	990	98.99
Valleys Task Force	500	311	189	37.81
Public Sector Broadband Aggregation	8,704	8,704	0	0.00
Strategic Infrastructure Development	990	1,194	-204	-20.57
ICT Infrastructure Operations	3,527	2,443	1,084	30.74
Property Infrastructure	5,026	4,849	177	3.52
Strategic Policy Development	450	209	241	53.52
Healthy Working Wales	831	357	474	57.00
Corporate Programmes & Services	461	781	-320	-69.47
Strategic Business Events and Communications	200	124	76	38.00
Network Asset Management	3,036	2,638	398	13.11
Network Operations	68,748	68,578	170	0.25
Network Operations Non Cash	249,280	200,345	48,935	19.63
Aviation	4,405	3,871	534	12.12
National Transport Infrastructure	10,423	49,210	-38,787	-372.13
Rail Ancillary	880	835	45	5.16
Transport for Wales	171,570	175,092	-3,522	-2.05
Bus Support	32,205	31,606	599	1.86
Smartcards	966	532	434	44.97
Concessionary Fares	23,482	26,375	-2,893	-12.32
Youth Discounted Travel Scheme	2,000	2,532	-532	-26.60
Sustainable & Active Travel	630	462	168	26.67
Road Safety	4,764	4,467	297	6.23
Work Based Learning	88,033	88,897	-864	-0.98
Marketing Skills	648	1,247	-599	-92.46
Skills Policy Engagement	1,806	1,507	299	16.56
Employability and Skills	51,237	49,073	2,164	4.22
Communities for Work	3,972	3,982	-10	-0.24
Better Jobs Closer to Home	355	550	-195	-55.02
Careers Wales	20,606	18,993	1,613	7.83
Infrastructure Developments	0	17	-17	-
Parents Childcare and Employment	0	-7	7	-
Total Resource	780,257	816,149	-35,892	-4.60

EDUCATION RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Literacy & Numeracy	5,476	5,644	-168	-3.06
Curriculum & Assessment	6,782	6,788	-6	-0.09
Curriculum Review	5,400	5,396	4	0.07
Foundation Phase	148	498	-350	-236.49
Teacher Development and Support	54,932	55,343	-411	-0.75
Qualifications Wales	8,482	7,916	566	6.67
Further Education Provision	438,052	443,277	-5,225	-1.19
HEFCW Programme Expenditure	158,082	158,187	-105	-0.07
HEFCW Capital	90	90	0	0.00
School Improvement Grant	130,359	131,721	-1,362	-1.04
Raising School Standards	25,500	25,510	-10	-0.04
School Standards Support	1,194	1,209	-15	-1.29
Pupil Development Grant	98,900	99,716	-816	-0.83
Supporting Digital Learning in Education	4,429	4,431	-2	-0.04
Additional Learning Needs	2,786	1,739	1,047	37.57
Food & Nutrition in Schools	4,130	3,053	1,077	26.08
Post 16 Specialist Placements	12,481	13,678	-1,197	-9.59
Student Support Grants	411,962	397,893	14,069	3.42
Student Loans Company / HMRC Administration Costs	13,723	20,014	-6,291	-45.84
Student Loans Resource Budget Provision	458,995	277,446	181,549	39.55
Targeted Student Support Awards	6,297	7,402	-1,105	-17.54
Tackling Disaffection	515	388	127	24.73
Offender Learning	6,628	6,613	15	0.23
Youth Engagement & Employment	10,882	10,883	-1	-0.01
Education Communications	447	442	5	1.04
Research Evidence and International	884	829	55	6.24
Welsh in Education	12,675	12,369	306	2.41
Business Innovation	604	724	-120	-19.79
Science	1,350	1,378	-28	-2.07
Life Sciences	2,200	1,771	429	19.50
Education Infrastructure	0	366	-366	-
School Governance	0	20	-20	-
Total Resource	1,884,385	1,702,347	182,038	9.66

INTERNATIONAL RELATIONS AND THE WELSH LANGUAGE RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Export, Trade and Inward Investment	3,842	3,365	477	12.42
Tourism and Marketing	15,572	16,239	-667	-4.28
Major Events	3,618	2,987	631	17.44
Arts Council of Wales	31,346	31,346	0	0.00
Amgueddfa Cymru - National Museums of Wales	22,118	22,918	-800	-3.62
National Library of Wales	10,835	11,235	-400	-3.69
Strategic leadership for museum, archive and library services	3,287	2,204	1,083	32.95
Creative	1,708	1,786	-78	-4.57
Books Council of Wales	3,649	3,814	-165	-4.52
Cadw	11,608	10,452	1,156	9.96
National Botanic Garden of Wales	581	581	0	0.00
Royal Commission on the Ancient and Historical Monuments of Wales	1,853	1,623	230	12.41
Sport Wales	22,372	22,572	-200	-0.89
Support for Sport	252	132	120	47.62
Welsh Language	20,907	20,992	-85	-0.41
Welsh Language Commissioner	3,157	3,157	0	0.00
International Development	1,795	1,483	312	17.38
International Relations	5,854	6,002	-148	-2.53
Total Resource	164,354	162,888	1,466	0.89

ENVIRONMENT, ENERGY AND RURAL AFFAIRS RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Environment Legislation & Governance	181	93	88	48.65
Fuel Poverty Programme	2,912	2,606	306	10.50
Green Growth Wales	1,636	2,431	-795	-48.57
Strategy and Government Relations	2,834	1,794	1,040	36.69
Radioactivity & Pollution Prevention	3,415	1,378	2,037	59.65
Decarbonisation and Energy	2,585	2,822	-237	-9.17
Flood Risk Management & Water Revenue	23,818	23,305	513	2.15
Local Environment Quality	414	208	206	49.76
Community Involvement	60	0	60	100.00
Landfill Disposals Tax Communities Scheme	1,500	1,473	27	1.80
Enabling Natural Resources	4,274	5,068	-794	-18.58
Biodiversity, Evidence and Plant Health	1,443	1,849	-406	-28.14
Forestry	356	1,371	-1,015	-285.15
Natural Resources Wales	60,693	60,168	525	0.87
Environment Management (Pwllperian)	38	-141	179	471.90
New Farm Entrants	4,000	3,747	253	6.33
Agriculture Strategy	20	34	-14	-70.00
Local Authority Framework Funding	600	193	407	67.76
Agriculture Customer Engagement	590	509	81	13.73
County Parish Holdings Project	1,100	939	161	14.64
EID Cymru	421	910	-489	-116.19
Livestock Identification	1,647	1,536	111	6.73
Technical Advice Services	358	392	-34	-9.47
Commons Act	433	132	301	69.41
Environment Act Implementation	731	750	-19	-2.62
Single Payment Scheme Administration	12,996	11,081	1,915	14.74
Rural Development Plan 2014-20	26,502	31,225	-4,723	-17.82
Research & Evaluation	520	545	-25	-4.77
EU Funded Fisheries Schemes	565	-141	706	124.96
Marine & Fisheries	5,549	4,132	1,417	25.53
Promoting Welsh Food and Industry Development	6,290	6,821	-531	-8.44
Animal Health & Welfare Framework	108	39	69	64.16
TB EU Income	-2,800	-1,687	-1,113	39.76
Animal and Plant Health Agency	15,281	14,810	471	3.08
TB Slaughter Payments Costs & Receipts	15,760	14,908	852	5.41
TB Eradication	7,500	7,581	-81	-1.08
Energy Efficiency Programmes	0	128	-128	-
Direct Payments	0	-96	96	-
Common Agriculture Policy IT	0	-1	1	-
Old RDP Programme	0	-49	49	-
Total Resource	204,330	202,864	1,466	0.72

CENTRAL SERVICES AND ADMINISTRATION RESOURCE BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Staff Costs	206,497	208,070	-1,573	-0.76
General Administration Expenditure	39,355	39,073	282	0.72
IT Costs	14,780	15,931	-1,151	-7.79
Enabling Government	2,145	1,400	745	34.75
Improve Economic & Labour Market Statistics	1,246	1,213	33	2.65
Geographical Information	719	698	21	2.95
Central Research	1,925	1,639	286	14.84
Future Generations Commissioner Wales	1,564	1,564	0	0.00
Tribunals	4,440	4,454	-14	-0.33
Justice Commission in Wales	490	515	-25	-5.10
Public Policy Institute	450	450	0	0.00
Chwarae Teg	360	352	8	2.36
Welsh Revenue Authority	7,586	7,434	152	2.00
Devolved Taxes	2,040	2,040	0	0.00
Cost of Borrowing	2,571	2,515	56	2.18
National Procurement Service	1,261	1,367	-106	-8.43
e-procurement	3,420	2,582	838	24.50
Events & Corporate Communications	356	368	-12	-3.37
Economic Research	46	45	1	2.20
Central EU Transition Costs	24,350	22,423	1,927	7.91
Investigations	200	155	45	22.58
Invest to Save	-11,780	0	-11,780	100.00
Invest to Save Fund Repayment	11,780	0	11,780	100.00
Programme Support	2,514	2,265	249	9.92
Match Funding	3,000	2,893	107	3.57
Violence against Women, Domestic Abuse and Sexual Violence	5,000	4,989	11	0.22
Community Cohesion	1,950	1,951	-1	-0.04
Equality and Prosperity	4,448	4,448	0	0.01
Advocacy Services	8,901	8,799	102	1.15
Cyber Resilience	184	138	46	24.77
Support for the Voluntary Sector and Volunteering	6,230	6,215	15	0.24
Community Support Officers	16,940	16,971	-31	-0.19
Strategic Asset Mapping	0	-10	10	-
ERDF	0	16	-16	-
Total Resource	364,968	362,962	2,006	0.55

ANNEX 2: Capital DEL⁸ Outturn by BEL

HEALTH & SOCIAL SERVICES CAPITAL BELS				
Budget Expenditure Line	Budget £000s	Outturn £000s	Under/ Over(-) Spend £000s	%
Core NHS Allocations	374,464	379,906	-5,442	-1.45
Other NHS Budgets	829	0	829	100.00
Substance Misuse Action Plan Fund	5,072	1,798	3,274	64.55
Research and Development	42,075	41,832	243	0.58
Health Emergency Planning	4,492	2,295	2,197	48.91
Social Care Wales	20	20	0	0.00
Total Capital	426,952	425,851	1,101	0.26

HOUSING AND LOCAL GOVERNMENT CAPITAL BELS				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Local Govt General Capital Funding	212,837	212,837	0	0.00
City & Growth Deals	18,000	18,000	0	0.00
Improvement & Support	1,250	781	469	37.52
Financial Inclusion	500	475	25	5.00
Fire & Rescue Services	1,000	499	501	50.10
Fire & Rescue Services - Communication Systems	410	342	68	16.59
Community Fire Safety	670	923	-253	-37.76
Rapid Response Adaption Programme	5,660	6,450	-790	-13.96
Integrated Care Fund	33,142	32,849	293	0.88
Major Repairs Allowance and Dowry Gap Funding	108,000	104,200	3,800	3.52
Social Housing Grants (SHG)	208,216	210,576	-2,360	-1.13
Land for Housing	10,000	10,000	0	0.00
Help to Buy Wales Fund and Other Schemes	97,147	97,040	107	0.11
Regeneration	56,378	56,924	-546	-0.97
Resource Efficiency and Circular Economy	17,007	16,952	55	0.32
Landscape & Outdoor Recreation	4,848	4,848	0	0.00
Estyn - Programme Expenditure	281	263	18	6.41
Planning & Regulation Expenditure	0	65	-65	-
Transformation & Legislation	0	4	-4	-
Total Capital	775,346	774,028	1,318	0.17

⁸ The published budget tables report the Capital DEL total i.e. General Capital and Capital Financial Transactions.

ECONOMY AND TRANSPORT CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Business and Regional Economic Development	30,071	14,345	15,726	52.30
Business Wales	2,802	2,148	654	23.34
Tech Valleys	6,117	0	6,117	100.00
Valleys Task Force	11,350	6,618	4,732	41.69
Business Finance Funds	61,000	69,800	-8,800	-14.43
ICT Infrastructure Operations	13,750	1,598	12,152	88.38
Public Sector Broadband Aggregation	6,250	6,218	32	0.51
Strategic Infrastructure Development	13,271	8,035	5,236	39.45
Property Infrastructure	14,777	24,449	-9,672	-65.45
Network Asset Management	850	0	850	100.00
Network Operations	90,663	90,567	96	0.11
Aviation	22,473	22,688	-215	-0.96
National Transport Infrastructure	62,328	74,099	-11,771	-18.89
Transport for Wales	137,237	116,070	21,167	15.42
Smartcards	1,000	6	994	99.40
Local Transport Priorities	36,150	36,646	-496	-1.37
Concessionary Fares	36,651	35,240	1,411	3.85
Sustainable and Active Travel	41,150	34,222	6,928	16.84
Road Safety	6,900	6,644	256	3.71
Careers Wales	783	778	5	0.64
Rail Ancillary	0	5,499	-5,499	-
Better Jobs Closer to Home	0	240	-240	-
Total Capital	595,573	555,910	39,663	6.66

EDUCATION CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Education Infrastructure	236,723	240,204	-3,481	-1.47
Business Innovation (Economy Futures Fund)	6,316	5,054	1,262	19.98
Science	4,654	2,944	1,710	36.74
Life Sciences	798	-23	821	102.88
Qualifications Wales	0	226	-226	-
Total Capital	248,491	248,405	86	0.03

INTERNATIONAL RELATIONS AND THE WELSH LANGUAGE CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Tourism (Economy Futures Fund)	8,450	7,878	572	6.77
Arts Council of Wales	355	424	-69	-19.44
Amgueddfa Cymru - National Museums of Wales	2,136	1,786	350	16.39
National Library of Wales	1,955	1,305	650	33.25
Strategic leadership for museum, archive and library services	1,630	1,447	183	11.23
Creative (Economy Futures Fund)	515	2,111	-1,596	-309.90
Books Council of Wales	30	175	-145	-483.33
Cadw	4,710	4,014	696	14.78
National Botanic Garden of Wales	95	395	-300	-315.79
Royal Commission on the Ancient and Historical Monuments of Wales	95	97	-2	-2.11
Sport Wales	549	549	0	0.00
Repayment of Sports Capital Loans Scheme	-390	-390	0	0.00
Total Capital	20,130	19,791	339	1.68

ENVIRONMENT, ENERGY AND RURAL AFFAIRS CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Fuel Poverty Programme	35,500	35,637	-137	-0.39
Green Infrastructure	1,216	738	478	39.31
Green Growth Wales	4,832	4,811	21	0.43
Radioactivity & Pollution Prevention	4,875	2,442	2,433	49.91
Decarbonisation and Energy	1,281	1,381	-100	-7.81
Flood Risk Management & Water Revenue	22,800	22,940	-140	-0.61
Enabling Natural Resources	2,073	796	1,277	61.60
Forestry	734	191	543	73.98
Natural Resources Wales	5,125	3,955	1,170	22.83
EID Cymru	1,067	961	106	9.93
Commons Act	1,500	1,486	14	0.93
Common Agriculture Policy IT	2,000	5,356	-3,356	-167.80
Rural Development Plan 2014-20	7,621	6,622	999	13.11
EU Funded Fisheries Schemes	450	-27	477	106.00
Promoting Welsh Food and Industry Development	100	2,188	-2,088	-2,088.00
TB Eradication	0	1,949	-1,949	-
Old RDP Programme	0	-22	22	-
Environmental Management (Pwllperian)	0	-117	117	-
Total Capital	91,174	91,287	-113	-0.12

CENTRAL SERVICES AND ADMINISTRATION CAPITAL BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
General Administration Expenditure	5,916	5,854	62	1.05
IT Costs	920	959	-39	-4.24
Enabling Government	72	0	72	100.00
Invest to Save	5,026	1,527	3,499	69.62
Invest to Save Fund Repayment	-5,416	-5,404	-12	0.22
Violence against Women, Domestic Abuse and Sexual Violence	1,064	1,101	-37	-3.48
Gypsy Traveller Sites	2,268	2,267	1	0.04
Community Facilities Programme	7,651	6,618	1,033	13.50
Female Offending and Youth Justice Blueprints	2,000	2,000	0	0.00
Welsh Revenue Authority	0	79	-79	-
Staff Costs	0	-1	1	-
Total Capital	19,501	15,000	4,501	23.08

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

HEALTH & SOCIAL SERVICES AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
NHS Impairments and Provisions	338,819	163,738	175,081	51.67
Total AME	338,819	163,738	175,081	51.67

HOUSING AND LOCAL GOVERNMENT AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Non-Domestic Rates Distributable Amount	1,061,000	1,061,000	0	0.00
Fire Service Pensions	31,167	31,167	0	0.00
Help to Buy Wales	1,533	24,557	-23,024	-1,501.89
Total AME	1,093,700	1,116,724	-23,024	-2.11

ECONOMY AND TRANSPORT AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Property Related Infrastructure Impairment	27,525	25,224	2,301	8.36
Roads Impairment	32,912	19,377	13,535	41.12
Careers Wales	15,000	-1,228	16,228	108.19
Total AME	75,437	43,373	32,064	42.50

EDUCATION AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Student Loans	759,381	705,786	53,595	7.06
Total AME	759,381	705,786	53,595	7.06

INTERNATIONAL RELATIONS AND THE WELSH LANGUAGE AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
Amgueddfa Cymru - National Museums of Wales Pension Provision	2,391	0	2,391	100.00
National Library of Wales Pension Provision	622	281	341	54.82
Total AME	3,013	281	2,732	90.67

ENVIRONMENT, ENERGY AND RURAL AFFAIRS AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
NRW Provision for Pensions	2,400	73	2,327	96.96
Total AME	2,400	73	2,327	96.96

CENTRAL SERVICES AND ADMINISTRATION AME BELs				
Budget Expenditure Line	Budget £000s	Outturn £000s	Variance £000s	%
CSA Pensions Provisions	2,977	-2,013	4,990	167.62
Staff Costs Provisions	0	-945	945	-
Total AME	2,977	-2,958	5,935	199.36

Document is Restricted