



Welsh Government

# Supplementary Budget 2020-2021

## Explanatory Note

October 2020

**gov.wales**

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## 1. Introduction

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- 1.1** The Welsh Government today tabled the second supplementary budget for 2020-21 in accordance with Standing Order 20. This supplementary budget proposes changes to the first supplementary budget for 2020-21 as approved by Senedd Cymru ('the Senedd') on 24 June 2020.
- 1.2** The purpose of this supplementary budget is to reflect the further changes that have arisen as a result of the measures taken to respond to the immediate impacts of the coronavirus pandemic since the first supplementary budget was published in May.
- 1.3** In the period since May, the Welsh Government has announced in excess of £1.5 billion of measures in response to the pandemic. This interim supplementary budget provides an update of the amounts allocated from our reserves and changes to the resources available that have taken place over the preceding four months.
- 1.4** Although this approach necessitates a more limited explanatory document than provided alongside the earlier supplementary budget, it is important to provide transparency around the financial position and provide an interim budget at this time.
- 1.5** This document supports the detailed 'Budget Expenditure Line (BEL) Tables' available on the Welsh Government's website.
- 1.6** This budget does not reflect the recent changes to Cabinet Ministerial portfolio responsibilities announced on 8<sup>th</sup> October. A restated position reflecting those changes will be published in due course.
- 1.7** A further supplementary budget will be published later in the financial year in line with the usual timescale for making final changes to budgets for the year. That supplementary budget will ratify changes to the Welsh budget arising from the UK Supplementary Estimate and all

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additional allocations from reserves including the recently announced £320m reconstruction package.

- 1.8** As with the first supplementary budget, a more comprehensive narrative will be provided at that time.

## **2. Changes to the Wales Budget since the First Supplementary Budget 2020-21**

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**2.1** Tables 2.1 to 2.3 set out the net impact of all the changes to the Welsh budget. Table 2.4 summarises the total allocations by MEG.

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

COMPONENTS OF WELSH GOVERNMENT FINANCING	2020-21 Supplementary Budget May 2020	Changes	2020-21 Supplementary Budget New Plans October 2020
	£000s	£000s	£000s
<b>RESOURCE FINANCING</b>			
<b>Departmental Expenditure Limit (DEL):</b>			
Fiscal	14,687,353	2,658,376	17,345,729
Non-Fiscal	690,064	0	690,064
Drawdown from the Wales Reserve	125,000	0	125,000
<b>Annually Managed Expenditure (AME):</b>			
Fiscal	22,159	0	22,159
Non-Fiscal	135,499	0	135,499
<b>Wales Devolved Financing:</b>			
Non Domestic Rates	804,000	0	804,000
Welsh Rate of Income Tax	2,169,668	0	2,169,668
Land Transaction Tax	254,008	-122,154	131,854
Landfill Disposals Tax	34,153	0	34,153
Principal repayment of borrowing	-2,362	0	-2,362
<b>TOTAL RESOURCE FINANCING</b>	<b>18,919,542</b>	<b>2,536,222</b>	<b>21,455,764</b>
<b>CAPITAL FINANCING</b>			
<b>Departmental Expenditure Limit (DEL):</b>			
General	2,127,552	5,593	2,133,145
Financial Transactions	303,906	668	304,574
<b>Annually Managed Expenditure (AME):</b>			
Capital	863,631	0	863,631
<b>Wales Devolved Financing:</b>			
Borrowing	125,000	0	125,000
<b>TOTAL CAPITAL FINANCING</b>	<b>3,420,089</b>	<b>6,261</b>	<b>3,426,350</b>
<b>TOTAL WELSH FINANCING</b>	<b>22,339,631</b>	<b>2,542,483</b>	<b>24,882,114</b>

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

MAIN EXPENDITURE GROUPS (MEGs)	£000s			
	2020-21 Supplementary Budget May 2020	Changes	2020-21 Supplementary Budget New Plans October 2020	
Health and Social Services	9,439,762	901,453	10,341,215	
Housing and Local Government	6,060,999	348,909	6,409,908	
Economy and Transport	2,818,911	130,520	2,949,431	
Education	2,477,969	78,413	2,556,382	
International Relations and the Welsh Language	204,896	63,300	268,196	
Environment, Energy and Rural Affairs	572,307	-10,800	561,507	
Central Services and Administration	409,702	4,650	414,352	
<b>Total Allocation to Welsh Government MEGs</b>	<b>21,984,546</b>	<b>1,516,445</b>	<b>23,500,991</b>	
Repurposed EU funding for COVID-19 measures	-245,000	0	-245,000	
<b>Planned Allocation to Welsh Government MEGs</b>	<b>21,739,546</b>	<b>1,516,445</b>	<b>23,255,991</b>	
Unallocated Resource	Fiscal Resource	148,353	1,003,065	1,151,418
	Non-Fiscal Resource	151,123	0	151,123
Unallocated Capital	General	177,342	22,305	199,647
	Financial Transactions	49,590	668	50,258
Senedd Commission	59,575	0	59,575	
Public Services Ombudsman for Wales	5,110	0	5,110	
Wales Audit Office	8,228	0	8,228	
Direct Charges to the Welsh Consolidated Fund	764	0	764	
<b>TOTAL WELSH BUDGET</b>	<b>22,339,631</b>	<b>2,542,483</b>	<b>24,882,114</b>	

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

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	FISCAL			NON-FISCAL		
	2020-21 Supplementary Budget May 2020	Changes	2020-21 Supplementary Budget New Plans October 2020	2020-21 Supplementary Budget May 2020	Changes	2020-21 Supplementary Budget New Plans October 2020
Health and Social Services	8,657,607	868,453	9,526,060	190,000	0	190,000
Housing and Local Government	4,496,914	318,909	4,815,823	240	0	240
Economy and Transport	1,806,260	198,671	2,004,931	192,400	0	192,400
Education	1,413,469	76,674	1,490,143	107,154	0	107,154
International Relations and the Welsh Language	143,788	64,000	207,788	8,882	0	8,882
Environment, Energy and Rural Affairs	417,240	0	417,240	21,675	0	21,675
Central Services and Administration	360,457	6,450	366,907	16,000	0	16,000
<b>Total Allocation to Welsh Government MEGs</b>	<b>17,295,735</b>	<b>1,533,157</b>	<b>18,828,892</b>	<b>536,351</b>	<b>0</b>	<b>536,351</b>



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

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	GENERAL CAPITAL			FINANCIAL TRANSACTIONS		
	2020-21 Supplementary Budget May 2020	Changes	2020-21 Supplementary Budget New Plans October 2020	2020-21 Supplementary Budget May 2020	Changes	2020-21 Supplementary Budget New Plans October 2020
Health and Social Services	374,488	33,000	407,488	0	0	0
Housing and Local Government	585,085	30,000	615,085	150,505	0	150,505
Economy and Transport	705,466	-68,151	637,315	85,260	0	85,260
Education	217,711	1,739	219,450	-195	0	-195
International Relations and the Welsh Language	33,467	-700	32,767	15,746	0	15,746
Environment, Energy and Rural Affairs	128,992	-10,800	118,192	2,000	0	2,000
Central Services and Administration	29,246	-1,800	27,446	1,000	0	1,000
<b>Total Allocation to Welsh Government MEGs</b>	<b>2,074,455</b>	<b>-16,712</b>	<b>2,057,743</b>	<b>254,316</b>	<b>0</b>	<b>254,316</b>

**2.2** An overview of the changes to the sources of finance are provided below and details of allocations from reserves can be found in section 3.

## **Adjustments to Sources of Finance**

### **Fiscal Resource**

**2.3** The Fiscal Resource baseline has increased by a net amount of £2,658,376k comprising consequentials announced as a result of:

- £918,148k in respect of Covid-19 spending announcements in England;
  - £12,500k in respect of the Summer Economic Update;
  - £1,200,000k in respect of the guarantee from the UK government announced on 23<sup>rd</sup> July, the majority of which related to announcements already made; and
  - £400,000k in respect of the further guarantee from the UK government announced on 9<sup>th</sup> October;
- £127,728k relating to an estimated revision to the Block Grant Adjustment for Stamp Duty Land Tax.

### **Non-Fiscal Resource**

**2.4** There has been no change to the non-fiscal resource baseline since the first supplementary budget.

### **Wales Devolved Financing**

**2.5** From 27 July, a temporary change to the rates and thresholds of Land Transaction Tax (LTT) was applied. As a result of this policy change and using the latest determinants from the central COVID scenario published by the OBR in its Fiscal Sustainability Report in July, the forecast for LTT has reduced by £122,154k to £131,854k.

## General Capital

- 2.6** The general capital baseline has increased by £5,593k comprising a Barnett consequential in respect of the Covid-19 spending announcements in England.

## Financial Transactions Capital

- 2.7** The baseline ring-fenced for financial transaction capital has increased by £668k due to consequentials received as a result of the Covid-19 spending announcements in England.

## AME Financing

- 2.8** There have been no adjustments to AME financing and expenditure since the first supplementary budget.

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

<b>2020-21 TOTAL MEG ALLOCATIONS as per SUPPLEMENTARY BUDGET</b>										
<b>£000s</b>										
<b>MAIN EXPENDITURE GROUPS (MEGs)</b>	<b>Resource</b>			<b>Capital</b>			<b>AME</b>			<b>TOTAL MEG ALLOCATION</b>
	<b>Fiscal</b>	<b>Non Fiscal</b>	<b>Resource Total</b>	<b>General</b>	<b>Financial Transactions</b>	<b>Capital Total</b>	<b>Resource</b>	<b>Capital</b>	<b>AME Total</b>	
Health and Social Services	9,526,060	190,000	<b>9,716,060</b>	407,488	0	<b>407,488</b>	217,667	0	<b>217,667</b>	<b>10,341,215</b>
Housing and Local Government	4,815,823	240	<b>4,816,063</b>	615,085	150,505	<b>765,590</b>	828,255	0	<b>828,255</b>	<b>6,409,908</b>
Economy and Transport	2,004,931	192,400	<b>2,197,331</b>	637,315	85,260	<b>722,575</b>	29,525	0	<b>29,525</b>	<b>2,949,431</b>
Education	1,490,143	107,154	<b>1,597,297</b>	219,450	-195	<b>219,255</b>	<b>-123,801</b>	863,631	<b>739,830</b>	<b>2,556,382</b>
International Relations and the Welsh Language	207,788	8,882	<b>216,670</b>	32,767	15,746	<b>48,513</b>	3,013	0	<b>3,013</b>	<b>268,196</b>
Environment, Energy and Rural Affairs	417,240	21,675	<b>438,915</b>	118,192	2,000	<b>120,192</b>	2,400	0	<b>2,400</b>	<b>561,507</b>
Central Services and Administration	366,907	16,000	<b>382,907</b>	27,446	1,000	<b>28,446</b>	2,999	0	<b>2,999</b>	<b>414,352</b>
<b>TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs</b>	<b>18,828,892</b>	<b>536,351</b>	<b>19,365,243</b>	<b>2,057,743</b>	<b>254,316</b>	<b>2,312,059</b>	<b>960,058</b>	<b>863,631</b>	<b>1,823,689</b>	<b>23,500,991</b>

### 3. Changes to Reserves

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**3.1** This budget regularises a number of allocations to and from reserves. A full list can be found in table 3.1.

#### Allocations from Fiscal Resource and General Capital Reserves

**3.2** Allocations totalling £1,558,157k have been made from the fiscal resource reserves and £69,200k from the general capital reserves. The allocations are as follows (links to public announcements are provided where possible for further information):

- Health and Social Services
  - [£800,000k for an NHS stabilisation package](#) to prepare for the anticipated challenges that winter will bring – responding to a potential second wave of the virus, alongside normal winter pressures - whilst continuing to further increase access to essential services.
  - £45,000k for the Covid-19 Contact Tracing Workforce to cover the cost of the local authority and health board workforce required to undertake population-wide contact tracing as set out in Test, Trace, Protect.;
  - £22,400k to meet adult care providers' Covid-19 costs in relation to the healthcare they provide for the second 6 months of the year. This includes continuing healthcare, NHS funded nursing care and joint packages of care, where extra costs from a range of issues are being experienced, such as greater infection control and additional staffing;
  - [£1,053k for a hardship fund](#) to mitigate the financial impact of Covid-19 on unpaid carers;
  - [£24,500k to restart the Childcare Offer for Wales](#) including a dedicated package of financial support for the childcare sector;
  - [£33,000k \(capital\) for new Cardiff and Vale Covid-19 facility](#) to manage any potential increase in Covid-19 cases this Winter.

- Housing and Local Government
  - An additional £306,559k made available via the Local Authority Hardship Fund comprising:
    - a total of £27,359k for the adult social care sector to meet the additional costs adult social care providers are incurring as a result of the pandemic. This comprises [£22,731k further funding for Adult Social Care Providers](#) as well as an additional £4,628k to reflect the actual costs arising from the extra [£40m to support adult social care](#) provided in the first supplementary budget;
    - £15,000k to support the general element of the Fund; and
    - [£264,200k to support local authorities](#) for the remainder of this financial year for additional costs and loss of income as they continue to support our response to the pandemic.
  - £2,850k reflecting the impact of Covid-19 on council tax reduction scheme applications and council tax revenue during the first quarter of the 2020-21 financial year;
  - £9,500k revenue and £30,000k capital as part of the [£50m Phase 2 Homelessness plan](#)
  
- Economy and Transport
  - A total of £113,000k to ensure train services continue to operate on the Wales and Borders network for key workers and others that rely on the train to travel comprising [£65,000k announced in May](#) and a further £48,000k to continue with the emergency management arrangements;
  - A total of £94,651k to support the provision of bus services comprising [£10,000k announced in August](#) and a further [£84,651k announced in September](#).

- Education
  - A total of [£50,954k to support Welsh universities, colleges and students](#) comprising £27,000k for higher education institutions; £23,954k for further education and sixth forms including £3,200k capital to provide digital equipment such as laptops for FE students;
  - £3,600k to support FE colleges with additional cleaning costs announced as part of the [support for Local Government](#) to ensure students and staff are able to work in a safe environment;
  - £16,840k reflecting the costs in the 2020-21 financial year to [recruit, recover and raise standards in Welsh schools](#) as part of a £29m package for the 2020/21 academic year
  
- International Relations and the Welsh Language
  - [£53,000k for the Cultural Recovery Fund](#) to help support and sustain the sector due to the ongoing challenges resulting from the pandemic comprising £50,000k revenue and £3,000k capital;
  - [£14,000k for the Sport and Leisure Recovery Fund](#) to help the sector meet the ongoing challenges and to help provide longer-term sustainability.
  
- Central Services and Administration
  - £3,450k to support staff and the organisation during lockdown and transitioning back into offices;
  - [£1,575k for violence against women, domestic abuse and sexual violence services](#) to help them respond to increased demands;
  - [£1,425k for services that support people in Wales to manage problem debt and improve their household income](#) to help them respond to increased demands.

### Transfers to Fiscal Resource Reserves

**3.3** A transfer of £25,000k has been made to the fiscal resource reserve from the Health and Social Services MEG to reflect a switch to capital to fund the new Cardiff and Vale Covid-19 facility.

### Allocations from Non Fiscal Resource Reserves

**3.4** There have been no allocations to or from non fiscal resource reserves in this supplementary budget.

### Transfers to General Capital Reserves

**3.5** Following an exercise to review capital plans across portfolios, £49,261k was identified for repurposing mainly related to likely slippage due to the Covid-19 pandemic or where the release of funding would not have a significant impact. The following amounts have been returned to the general capital reserve from each MEG:

• Economy and Transport	£31,500k
• Education	£1,461k
• International Relations and the Welsh Language	£3,700k
• Environment, Energy and Rural Affairs	£10,800k
• Central Services and Administration	£1,800k

**3.6** £36,651k has been transferred from the Economy and Transport MEG from the Concessionary Fares BEL to the general capital reserve to facilitate a capital to revenue switch to support bus services.

### Allocations from and Transfers to Financial Transaction Capital Reserves

**3.7** There have been no financial transaction capital allocations from or transfers to the financial transaction capital reserves in this supplementary budget.

Table 3.1 below reflects all the movements on reserves:



**Table 3.1 - Changes to the 2020-21 Reserves since First Supplementary Budget and the Allocations from Reserves being made in this Supplementary Budget**

	£000s						
	Fiscal Resource	Non-Fiscal Resource	Total Resource	General Capital	Financial Transaction Capital	Total Capital	Total
<b>Reserves at First Supplementary Budget</b>	<b>148,353</b>	<b>151,123</b>	<b>299,476</b>	<b>177,342</b>	<b>49,590</b>	<b>226,932</b>	<b>526,408</b>
Transfers & Consequentials since First Supplementary Budget	2,658,376	0	2,658,376	5,593	668	6,261	2,664,637
<b>Revised Reserves</b>	<b>2,806,729</b>	<b>151,123</b>	<b>2,957,852</b>	<b>182,935</b>	<b>50,258</b>	<b>233,193</b>	<b>3,191,045</b>
<b>Changes:</b>							
<b>HEALTH &amp; SOCIAL SERVICES</b>							
Stabilisation for the NHS	-800,000		-800,000				-800,000
Contact Tracing	-45,000		-45,000				-45,000
Support for unpaid carers	-1,053		-1,053				-1,053
Childcare Offer	-24,500		-24,500				-24,500
Adult care providers	-22,400		-22,400				-22,400
Revenue to capital switch for new Cardiff & Vale Covid-19 facility;	25,000		25,000	-33,000		-33,000	-8,000
<b>HEALTH &amp; SOCIAL SERVICES</b>	<b>-867,953</b>	<b>0</b>	<b>-867,953</b>	<b>-33,000</b>	<b>0</b>	<b>-33,000</b>	<b>-900,953</b>

<b>HOUSING &amp; LOCAL GOVERNMENT</b>							
Local Authority Support	-264,200		-264,000				-264,000
Adult social care providers' costs	-27,359		-27,359				-27,359
Local Government Hardship Fund	-15,000		-15,000				-15,000
Council Tax Reduction Scheme	-2,850		-2,850				-2,850
Homelessness next phase	-9,500		-9,500				-9,500
Social Housing Grant				-30,000		-30,000	-30,000
<b>HOUSING &amp; LOCAL GOVERNMENT</b>	<b>-318,909</b>	<b>0</b>	<b>-318,909</b>	<b>-30,000</b>	<b>0</b>	<b>-30,000</b>	<b>-348,909</b>
<b>ECONOMY &amp; TRANSPORT</b>							
Rail Support	-113,000		-113,000				-113,000
Bus Support	-94,651		-94,651	36,651		36,651	-58,000
Capital repurposing exercise				31,500		31,500	31,500
<b>ECONOMY &amp; TRANSPORT</b>	<b>-207,651</b>	<b>0</b>	<b>-207,651</b>	<b>68,151</b>	<b>0</b>	<b>68,151</b>	<b>-139,500</b>
<b>EDUCATION</b>							
Support for Further Education	-24,354		-24,354				-24,354
Support for Higher Education	-27,000		-27,000				-27,000
Supporting Learners	-16,840		-16,840				-16,840
Digital learning equipment for disadvantaged learners				-3,200		-3,200	-3,200
Capital repurposing exercise				1,461		1,461	1,461
<b>EDUCATION</b>	<b>-68,194</b>	<b>0</b>	<b>-68,194</b>	<b>-1,739</b>	<b>0</b>	<b>-1,739</b>	<b>-69,933</b>

<b>INTERNATIONAL RELATIONS &amp; THE WELSH LANGUAGE</b>							
Culture Recovery Fund	-50,000		-50,000	-3,000		-3,000	-53,000
Sport and Leisure Fund	-14,000		-14,000				-14,000
Capital repurposing exercise				3,700		3,700	3,700
<b>INTERNATIONAL RELATIONS &amp; THE WELSH LANGUAGE</b>	<b>-64,000</b>	<b>0</b>	<b>-64,000</b>	<b>700</b>	<b>0</b>	<b>700</b>	<b>-63,300</b>
<b>ENVIRONMENT, ENERGY &amp; RURAL AFFAIRS</b>							
Capital repurposing exercise				10,800		10,800	10,800
<b>ENVIRONMENT, ENERGY &amp; RURAL AFFAIRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,800</b>		<b>10,800</b>	<b>10,800</b>
<b>CENTRAL SERVICES &amp; ADMINISTRATION</b>							
Support for staff and organisation	-3,450		-3,450				-3,450
Violence against Women, Domestic Abuse and Sexual Violence services	-1,575		-1,575				-1,575
Debt and Income Advice	-1,425		-1,425				-1,425
Capital repurposing exercise				1,800		1,800	1,800
<b>CENTRAL SERVICES &amp; ADMINISTRATION</b>	<b>-6,450</b>	<b>0</b>	<b>-6,450</b>	<b>1,800</b>	<b>0</b>	<b>1,800</b>	<b>-4,650</b>
<b>OTHER CHANGES AFFECTING RESERVES</b>							
Reduction in Land Transaction Tax forecast	-122,154		-122,154			0	-122,154
<b>OTHER CHANGES AFFECTING RESERVES</b>	<b>-122,154</b>	<b>0</b>	<b>-122,154</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-122,154</b>
<b>Reserves in this Budget</b>	<b>1,151,418</b>	<b>151,123</b>	<b>1,302,541</b>	<b>199,647</b>	<b>50,258</b>	<b>249,905</b>	<b>1,552,446</b>

## 4. Transfers between and within Ministerial Portfolios

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**4.1** This section details the transfers between and within MEGs.

### Economic Resilience Fund

**4.2** To ensure anyone over 16 in Wales can access advice and support to find work, pursue self-employment or find a place in education or training, £39,673k has been transferred from the Economic Resilience Fund allocated in the first supplementary budget as follows:

- £8,480k transferred from the Economy and Transport MEG to the Education MEG to:
  - expand the Personal Learning Account Programme;
  - roll out the employment bureau approach within further education;
  - providing additional support for 'Go Wales';
  - support degree apprenticeships.
  
- £500k transfer from the Economy and Transport MEG to the Health and Social Services MEG for Work Support and Out of Work services.
  
- Within the Economy and Transport MEG:
  - £10,093k to the Employability and Skills BEL for employability interventions;
  - £1.200k to the Start Up & Youth Entrepreneurship BEL for entrepreneurship/business start up;
  - £16,400k to Work Based Learning BEL for employer recruitment and redeployment incentives;
  - £3,000k to Communities for Work BEL for Communities for Work Plus

## **Annex 1 – Reconciliation between the Portfolio Budgets in the Action Tables and those the Budget Motion**

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The Explanatory Note supports the Supplementary Budget Motion published alongside this document, which sets out the changes to both the resources that the Welsh Government is proposing to use in 2020-21 and the cash it is seeking authority to draw from the Welsh Consolidated Fund. The tables within this note use the HM Treasury control totals and align with the BEL Tables. However, the figures in the Supplementary Budget Motion align with the Statement of Resource Outturn which is used in the Welsh Government accounts and is prepared on a slightly different basis.

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

2020-21 SUPPLEMENTARY BUDGET								
£000s								
	Health and Social Services	Housing and Local Government	Economy and Transport	Education	International Relations and the Welsh Language	Environment, Energy and Rural Affairs	Central Services and Administration	TOTAL
Resource	9,716,060	4,816,063	2,197,331	1,597,297	216,670	438,915	382,907	<b>19,365,243</b>
Capital	407,488	765,590	722,575	219,255	48,513	120,192	28,446	<b>2,312,059</b>
Resource AME	217,667	828,255	29,525	<b>-123,801</b>	3,013	2,400	2,999	<b>960,058</b>
Capital AME	0	0	0	863,631	0	0	0	<b>863,631</b>
<b>TOTAL MANAGED EXPENDITURE</b>	<b>10,341,215</b>	<b>6,409,908</b>	<b>2,949,431</b>	<b>2,556,382</b>	<b>268,196</b>	<b>561,507</b>	<b>414,352</b>	<b>23,500,991</b>
<b>Reconciliation to Resources</b>								
Resource Consumption - Welsh Government Sponsored Bodies	<b>-230</b>	<b>-200</b>		<b>-305</b>	<b>-7,281</b>	<b>-12,400</b>		<b>-20,416</b>
Supported Borrowing		<b>-88,800</b>						<b>-88,800</b>
National Insurance Fund Receipts Collection Costs	<b>-906</b>							<b>-906</b>
National Non-Domestic Rates Payable (and Collection Costs)		<b>-809,172</b>						<b>-809,172</b>
Interest Repayments on Borrowing							<b>-2,474</b>	<b>-2,474</b>
PFI			<b>-8,982</b>					<b>-8,982</b>
<b>RESOURCES REQUESTED</b>	<b>10,340,079</b>	<b>5,511,736</b>	<b>2,940,449</b>	<b>2,556,077</b>	<b>260,915</b>	<b>549,107</b>	<b>411,878</b>	<b>22,570,241</b>

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## Annex 2 – Glossary

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

<b>Direct Charges on the Welsh Consolidated Fund</b>	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore does not score against the budgets of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
<b>Financial Transactions</b>	Financial transactions can only be used for loans and equity purposes. A proportion of the funding also has to be repaid to the Exchequer.
<b>Fiscal Resource DEL (sometimes referred to as revenue)</b>	The Fiscal Resource DEL budget scores most of the department's current expenditure. Expenditure is recorded on an accruals basis. It includes expenditure on pay, current procurement, current grants and subsidies.
<b>Main Expenditure Group (MEG)</b>	The Welsh Government DEL is divided into a number of Main Expenditure Groups. There are currently 7 MEGs: Health and Social Services; Housing and Local Government; Economy and Transport; Education; International Relations and the Welsh Language; Environment, Energy and Rural Affairs and Central Services and Administration.
<b>Non-Fiscal Resource DEL (sometimes referred to as 'non cash')</b>	The Non-Fiscal Resource DEL budget scores the department's current expenditure in respect of impairment of student loans and depreciation. Non-Fiscal Resource DEL is ring-fenced and cannot be used to fund fiscal resource DEL spending.
<b>Receipts</b>	Some areas of Welsh Government activity generate income, for example, through the sale or rental of assets. These are represented in the budget as negative figures.
<b>Resource budgeting</b>	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budgeting includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.



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