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Welsh Government

# Supplementary Budget 2012-2013

Explanatory Note





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## 1. Introduction

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- 1.1** The Welsh Government today tabled the First Supplementary Budget for 2012-13 in accordance with Standing Order 20. This Supplementary Budget proposes a number of changes to the Final Budget for 2012-13 as approved by the Assembly on 6 December 2011.
- 1.2** This Supplementary Budget mainly reflects adjustments to budgets which are in line with previous announcements made by the Welsh Government. This includes allocations from Reserves, including in respect of the Centrally Retained Capital Fund. In May, the Welsh Government published the Wales Infrastructure Investment Plan for Growth and Jobs which set out its high level investment priorities. This Supplementary Budget makes adjustments for the capital investment package that was announced in May in line with these priorities. It also reflects reprioritisations within portfolios and a small number of transfers between MEGs. Adjustments have also been made to the Wales DEL Budget to reflect transfers and consequential received in the UK Government's Autumn Statement and March 2012 Budget.
- 1.3** Changes proposed in this Supplementary Budget are summarised in the following tables with further details available in the later Departmental chapters. The Departmental chapters detail all individual changes above a £250k threshold.
- 1.4** This document supports the detailed Action Tables available on the Welsh Government's website.

## Changes to Budget Structures

- 1.5** The structure of the Local Government and Communities MEG has been revised as part of this Supplementary Budget to align budgets more closely with the priorities of the National Transport Plan. Annex 2 provides a reconciliation between the old and new structures. These changes provide greater clarity about the purpose of the budgets.
- 1.6** There are also a small number of changes to the budget structures within the Business, Enterprise, Technology and Science MEG. Details of these changes are provided in the Departmental chapter.
- 1.7** This Supplementary Budget also provides for the restructuring of the budget for substance misuse in line with recent Ministerial portfolio changes.

**Table 1.1 – Allocation of the Wales DEL – Supplementary Budget**

MAIN EXPENDITURE GROUPS (MEGs)	£000s			
	Budget <sup>1</sup> 2012-13	Changes	Revised Budget 2012-13	
<b>Departmental Expenditure Limits (DEL)</b>				
Health, Social Services and Children	6,287,226	56,014	6,343,240	
Local Government and Communities	5,104,513	-8,874	5,095,639	
Business, Enterprise, Technology and Science	272,326	2,900	275,226	
Education and Skills	1,836,753	18,069	1,854,822	
Environment and Sustainable Development	326,812	13,710	340,522	
Housing, Regeneration and Heritage	572,840	19,808	592,648	
Central Services and Administration	349,919	12,964	362,883	
<b>Total Allocated to Welsh Government Departments</b>	<b>14,750,389</b>	<b>114,591</b>	<b>14,864,980</b>	
Resource	Fiscal Resource DEL	97,266	-15,361	81,905
Reserves	Non-Fiscal Resource DEL	68,137	0	68,137
Capital Reserves		49,521	-44,099	5,422
Assembly Commission		47,227	0	47,227
Auditor General for Wales		4,740	0	4,740
Public Services Ombudsman for Wales		4,034	0	4,034
Direct Charges to the Welsh Consolidated Fund		642	0	642
<b>Total Expenditure within the Wales DEL Budget</b>	<b>15,021,956</b>	<b>55,131</b>	<b>15,077,087</b>	

<sup>1</sup> Budget figures as per Final Budget Motion approved December 2011.

**Table 1.2 – Changes to the Welsh Government Resource DEL**

MAIN EXPENDITURE GROUPS (MEGs)	£000s			£000s		
	Fiscal Resource			Non-Fiscal Resource		
	Budget <sup>2</sup> 2012-13	Changes	Revised Budget 2012-12	Budget <sup>2</sup> 2012-13	Changes	Revised Budget 2012-13
Health, Social Services and Children	5,876,623	34,904	5,911,527	170,000	0	170,000
Local Government and Communities	4,733,774	-16,584	4,717,190	109,098	0	109,098
Business, Enterprise, Technology and Science	181,319	-6,000	175,319	1,551	0	1,551
Education and Skills	1,577,979	1,119	1,579,098	97,431	0	97,431
Environment and Sustainable Development	262,085	-30	262,055	3,098	0	3,098
Housing, Regeneration and Heritage	274,605	48	274,653	3,677	0	3,677
Central Services and Administration	305,455	12,964	318,419	16,000	0	16,000
<b>Total Allocation to Welsh Government Departments</b>	<b>13,211,840</b>	<b>26,421</b>	<b>13,238,261</b>	<b>400,855</b>	<b>0</b>	<b>400,855</b>

<sup>2</sup> Budget figures as per Final Budget Motion approved December 2011.

**Table 1.3 – Changes to the Welsh Government Capital DEL**

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget <sup>3</sup> 2012-13	Changes	Revised Budget 2012-13
Health, Social Services and Children	240,603	21,110	261,713
Local Government and Communities	261,641	7,710	269,351
Business, Enterprise, Technology and Science	89,456	8,900	98,356
Education and Skills	161,343	16,950	178,293
Environment and Sustainable Development	61,629	13,740	75,369
Housing, Regeneration and Heritage	294,558	19,760	314,318
Central Services and Administration	28,464	0	28,464
<b>Total Allocation to Welsh Government Departments</b>	<b>1,137,694</b>	<b>88,170</b>	<b>1,225,864</b>

<sup>3</sup> Budget figures as per Final Budget Motion approved December 2011.



**Table 1.4 – Welsh Government AME Budget**

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget <sup>4</sup> 2012-13	Changes	Revised Budget 2012-13
Health, Social Services and Children	181,780	19,930	201,710
Local Government and Communities	64,314	-12,929	51,385
Business, Enterprise, Technology and Science	41,402	0	41,402
Education and Skills	150,525	27,784	178,309
Environment and Sustainable Development	0	0	0
Housing, Regeneration and Heritage	-58,510	-7,000	-65,510
Central Services and Administration	-1,837	-5	-1,842
<b>Total Welsh Government AME Budget</b>	<b>377,674</b>	<b>27,780</b>	<b>405,454</b>

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<sup>4</sup> Budget figures as per Final Budget Motion approved December 2011.

## 2. Key Changes in the Supplementary Budget <sup>5</sup>

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The changes are summarised below:

### 2.1 Adjustments to resource and capital baselines:

#### Fiscal Resource DEL

- The Fiscal Resource DEL baseline increases by £11.1m which comprises:
  - a net transfer out of £0.9m to UK Government Departments, comprising a transfer in of £1.0m from the Department for Environment, Food and Rural Affairs (DEFRA) in respect of the Animal Movements Licensing System and a transfer out of £1.9m to the Department for Business, Innovation and Skills (BIS) in respect of Pan Government Digital Mapping; and
  - an increase of £12m from consequentials received in the UK Government's Autumn Statement in November 2011.

#### Capital DEL

- The Capital DEL baseline increases by £44.1m, which comprises:
  - an increase of £38.7m from consequentials received in the UK Government's Autumn Statement in November 2011; and
  - an increase of £5.4m from a consequential received in the UK Government's March 2012 Budget.

#### Budget Exchange System

**2.2** In the Second Supplementary Budget for 2011-12, the Welsh Government announced its intention to carry forward nearly £33.2m of Fiscal Resource DEL under the Budget Exchange System. Of this, £28.2m was allocated in the Final Budget 2012-13. A further £4.8m is being allocated as part of this Supplementary Budget, further details are provided at chapter 3.

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<sup>5</sup> Figures in this chapter have been rounded to one decimal place.

**2.3** Details of the exact amount to be carried forward from 2011-12 will be confirmed once the Welsh Government's Annual Accounts for 2011-12 have been finalised. Adjustments to our baseline to reflect the final amount carried forward will be made later in the year through the UK Supplementary Estimate process. As such, this Supplementary Budget does not reflect any adjustment to the Welsh Block in respect of the Budget Exchange System.

#### **2.4 Amounts transferred to Reserves by Welsh Government Departments:**

##### **Fiscal Resource DEL**

- £1.9m from Central Services and Administration in respect of a transfer to the UK Department for BIS in relation to Pan Government Digital Mapping.

### 3. Allocations from Reserves<sup>6</sup>

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**3.1** This Supplementary Budget makes a number of allocations from Reserves, many of which are in line with previous announcements made by the Welsh Government.

**3.2** The key allocations to Welsh Government Departments are summarised below:

#### Fiscal Resource DEL

- £12.2m non-recurrent funding is being allocated to the Health, Social Services and Children MEG for orthopaedic services as part of the £65m package announced in March 2011;
- £10m is being allocated to the Central Services and Administration MEG in respect of Round Six Invest to Save projects announced earlier this month;
- as part of the £33.2m earmarked for specific purposes under the Budget Exchange System, £4.8m is being allocated to the Local Government and Communities MEG in respect of:
  - £0.8m to support provision of Free Advice Services; and
  - £4m as part of the Local Government Borrowing initiative.
- £1m is being allocated to the Business, Enterprise, Technology and Science MEG in respect of the UK Government transfer from DEFRA for the Animal Movements Licensing System; and
- £0.4m to the Education and Skills MEG in relation to an adjustment for the Pupil Deprivation Grant.

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<sup>6</sup> Figures in this chapter have been rounded to one decimal place.

## Capital DEL

### Centrally Retained Capital (CRC) Fund

**3.3** The Supplementary Budget provides a total of £8.3m to CRC Phase 1 projects as announced in March 2011 and £35.9m to CRC Phase 2 projects as announced in November 2011:

- **Health, Social Services and Children**

A total of £8.6m has been allocated to Phase 2 projects comprising:

- £2.7m in respect of the Wrexham Ambulance Resource Centre; and
- £5.9m for the development of services at Cardiff Royal Infirmary.

- **Local Government and Communities**

A total of £3.9m has been allocated to Phase 1 projects, comprising:

- £1.9m for the A470 Maes yr Helmau to Cross Foxes improvement; and
- £2m for the A470 Gelligemlyn.

A total of £6.3m has been allocated to Phase 2 projects, comprising:

- £4m for Welsh National Traffic Data System;
- £0.4m for the M4 Junction 32 Coryton Improvement Scheme; and
- £1.9m for road salt storage.

- **Business, Enterprise, Technology and Science**

£2.9m Phase 1 funding has been allocated for the provision of on line services for rural payments in Wales.

- **Education and Skills**

A total of £9m has been allocated to Phase 2 projects comprising:

- £2m for the 'Gateway to the Valleys' project which will establish a new school in Tondy and rationalise the provision of secondary education in the area; and
- £7m for the rationalisation of the secondary school estate in Carmarthenshire.

- **Environment and Sustainable Development**

£2m of Phase 2 funding has been allocated for flood and coastal erosion management projects, to reduce the risks to vulnerable homes and businesses in the Colwyn Bay and Borth regions of North and West Wales.

- **Housing, Regeneration and Heritage**

£1.5m of Phase 1 funding has been allocated for the redevelopment of the Merthyr Tydfil Old Town Hall.

£10m of Phase 2 funding has been allocated to the following projects:

- £5m for the 'Houses into Homes' initiative to bring empty properties back into use; and
- £5m for the West Rhyl housing redevelopment project.

### Additional Capital Investment

**3.4** In May, the Welsh Government published the Wales Infrastructure Investment Plan for Growth and Jobs which sets out its high level investment priorities. Alongside this, and following discussions with the Welsh Liberal Democrats as part of the 2012-13 Budget Agreement, the Welsh Government announced a £44m capital investment package in line with the investment framework:

- **Health, Social Services and Children**

A total of £6.8m has been allocated to the following projects:

- £2.5m in respect of the Ysbyty Glan Clwyd redevelopment; and

- £4.3m in respect of the Llandough Hospital Acute Mental Health Unit.

- **Local Government and Communities**

A total of £3.2m has been allocated to the following projects:

- £0.5m towards premises for 'One Stop Shops' which provide support, advice and information for victims of domestic abuse;
- £1.5m for the M4 junction 33-34 hard shoulder running; and
- £1.2m for the M4 junction 49 (Pont Abraham) signalisation.

- **Business, Enterprise, Technology and Science**

A total of £6m has been allocated to the following projects:

- £2.5m to the Welsh Economic Growth Fund for the short term fast track fund for businesses providing immediate access to capital funding for investment; and
- £3.5m for Deeside Enterprise Zone. This is a major capital flood mitigation scheme to facilitate the development of the 'Northern Gateway' in Deeside which is critical to attracting new investments to the Enterprise Zone.

- **Education and Skills**

A total of £8m has been allocated to the following projects:

- £5m for the acceleration of transitional projects for 21<sup>st</sup> Century Schools; and
- £3m for the Cardiff City Centre Post 16 Campus.

- **Environment and Sustainable Development**

A total of £9m has been allocated to the following projects:

- £3m for NEST, the Welsh Government's fuel poverty scheme;
- £2m for the new scheme to run alongside our energy efficiency scheme, ARBED Phase 2; and
- £4m for flood and coastal risk management schemes in Colwyn Bay, Talgarth, Gilfach Kerry and Borth.

- **Housing, Regeneration and Heritage**

A total of £11m has been allocated to the following projects:

- £6m for the Welsh Housing Partnership Phase 2; and
- £5m for the 'Houses into Homes' initiative to bring empty properties back into use.



## 4. Health, Social Services and Children

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### Overall Budget Changes

- 4.1** There has been a net increase in the Health, Social Services and Children's DEL of £56,014k, comprising an increase in resource of £34,904k and an increase in capital of £21,110k.

### AME

- 4.2** The AME budget has increased by £19,930k to reflect the latest forecasts for provisions and impairments in the NHS.

### Resource Changes

- 4.3** There is a transfer of £12,200k non-recurrent funding from Reserves to the 'Delivery of Core NHS Services' Action to reduce waiting times for orthopaedic services. This is part of the £65 million package announced in March 2011.
- 4.4** The net impact of transfers with other MEGs is an increase of £22,704k, which comprises the following adjustments above £250k:

#### Support Education and Training of NHS Workforce Action

- £2,051k has been transferred to the 'Higher Education' Action in the Education and Skills MEG to cover payments to Cardiff University to support medical and dental training.

#### Support Mental Health Policies and Legislation Action

- A total transfer out of £2,688k comprising:
  - £1,970k to the 'Tribunals' Action in the Central Services and Administration MEG in respect of Mental Health Review Tribunals; and
  - £718k to the 'Funding Support for Local Government' Action in the Local Government and Communities MEG in respect of the Revenue

Support Grant. The transfer is required to support compliance with primary legislation in relation to the Mental Health Act 2007 and Deprivation of Liberty Safeguards.

#### Deliver the Substance Misuse Strategy Implementation Plan Action

- £27,475k in respect of the transfer in of the 'Substance Misuse' Action from the Local Government and Communities MEG to reflect a change in Ministerial portfolios.

**4.5** There have also been a number of transfers within the MEG, the net impact of which is neutral. The effect of these transfers on individual Actions is shown below:

#### Delivery of Core NHS Services Action

- A net transfer out of £11,153k comprising the following transfers above £250k:
  - £31,452k to the 'Delivery of Targeted NHS Services' Action in respect of Shared Services;
  - £13,066k from the 'Delivery of Targeted NHS Services' Action in respect of Primary Care Contracts;
  - £6,000k from the 'Delivery of Targeted NHS Services' Action in respect of funding for hospital and community health services; and
  - £1,074k from the 'Promote Health Improvement & Healthy Working' Action in respect of Diabetic Capacity Grant.

#### Delivery of Targeted NHS Services Action

- A net transfer in of £12,417k comprising the following transfers above £250k:
  - £31,452k from the 'Delivery of Core NHS Services' Action in respect of Shared Services;
  - £13,066k to the 'Delivery of Core NHS Services' Action in respect of Primary Care Contracts; and

- £6,000k to the 'Delivery of Core NHS Services' Action in respect of funding for hospital and community health services.

#### Support Mental Health Policies and Legislation Action

- A total transfer out of £190k with no transfers above £250k.

#### Sponsorship of Public Health Bodies Action

- A total transfer in of £8,939k comprising:
  - £629k from the 'Children's Social Services' Action in respect of New Born Bloodspot Screening; and
  - £8,310k from the 'Promote Health Improvement & Healthy Working' Action in respect of funding for Public Health Wales.

#### Promote Health Improvement & Healthy Working Action

- A total transfer out of £9,384k comprising:
  - £8,310k to the 'Sponsorship of Public Health Bodies' Action in respect of funding for Public Health Wales; and
  - £1,074k to the 'Delivery of Core NHS Services' Action in respect of Diabetic Capacity Grant.

#### Children's Social Services Action

- A transfer out of £629k to the 'Sponsorship of Public Health Bodies' Action in respect of New Born Bloodspot Screening.

### **Capital Changes**

**4.6** There has been a total transfer from Reserves of £15,420k comprising:

#### NHS Delivery Action

- A total transfer in of £15,420k including:
  - £8,620k of Centrally Retained Capital Funding for the following:
    - £2,720k in respect of Wrexham Ambulance Resource Centre; and
    - £5,900k for the development of services at Cardiff Royal Infirmary.

- £6,800k as part of the capital investment package to promote growth and jobs announced in May, comprising:
  - o £2,500k in respect of the Ysbyty Glan Clwyd redevelopment; and
  - o £4,300k in respect of the Llandough Hospital Acute Mental Health Unit.

**4.7** There has also been a transfer of £5,690k into the ‘Deliver the Substance Misuse Strategy Implementation Plan’ Action from the ‘Substance Misuse’ Action in the Local Government and Communities MEG to reflect a change in Ministerial portfolios.

**Table 4.1 – Health, Social Services and Children SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>7</sup>	Changes	Revised Budget	Budget <sup>7</sup>	Changes	Revised Budget
NHS Delivery	5,491,962	13,464	5,505,426	230,279	15,420	245,699
Health Central Budgets	205,374	22,546	227,920	0	5,690	5,690
Public Health and Prevention	157,548	-477	157,071	5,039	0	5,039
Social Services	182,104	-629	181,475	5,285	0	5,285
CAFCASS Cymru	9,635	0	9,635	0	0	0
<b>Total DEL</b>	<b>6,046,623</b>	<b>34,904</b>	<b>6,081,527</b>	<b>240,603</b>	<b>21,110</b>	<b>261,713</b>
<b>AME</b>						
NHS Impairments	181,780	19,930	201,710	0	0	0
<b>Total Managed Expenditure (TME)</b>	<b>6,228,403</b>	<b>54,834</b>	<b>6,283,237</b>	<b>240,603</b>	<b>21,110</b>	<b>261,713</b>

<sup>7</sup> Budget figures as per Final Budget Motion approved December 2011.

## 5. Local Government and Communities

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### Overall Budget Changes

**5.1** There has been a net decrease in Local Government and Communities DEL of £8,874k, comprising a decrease in resource of £16,584k and an increase in capital of £7,710k.

### AME

**5.2** The AME budget has decreased by £12,929k to reflect latest forecasts in respect of the improvement and maintenance of the trunk road network.

### Resource Changes

**5.3** There has been a total transfer from Reserves of £4,754k, comprising:

- £754k into the 'Third Sector' Action to support provision of Free Advice Services; and
- £4,000k into the 'Sustainable Travel' Action as part of the Local Government Borrowing Initiative.

**5.4** The net impact of transfers with other MEGs is a decrease of £21,338k, which comprises the following adjustments above £250k:

### Funding Support for Local Government Action

- A net decrease of £845k comprising the following transfers:
  - £1,595k to the 'Geographical Information' Action contained within the Central Services and Administration MEG to support the pan-Wales Geographic Information Services; and
  - £718k from the 'Support Mental Health Policies and Legislation' Action contained within the Health, Social Services and Children MEG into the Revenue Support Grant. The transfer is required to support compliance with primary legislation in relation to the Mental Health Act 2007 and Deprivation of Liberty Safeguards.

### Substance Misuse Action

- £27,475k in respect of the transfer out of the 'Substance Misuse' Action to the Health, Social Services and Children MEG to reflect a change in Ministerial portfolios.

### Sustainable Travel Action

- £7,000k has been transferred to the 'Sustainable Travel' Action in the Local Government and Communities MEG as part of a budget transfer between the Business, Enterprise, Technology and Science MEG and the Local Government and Communities MEG agreed following the last Supplementary Budget of 2011-12.

**5.5** There have also been a number of transfers within the MEG, the net impact of which is neutral. Below is a breakdown of specific transfers above £250k:

### Communities First Action

- £250k from the 'Financial Inclusion' Action in relation to the Post Office Development Fund to further support the diversification of Post Offices following the evaluation of the Post Office Diversification Fund.

### Financial Inclusion Action

- A total transfer out of £900k comprising:
  - £250k to the 'Communities First' Action in relation to the Post Office Development Fund to further support the diversification of Post Offices following the evaluation of the Post Office Diversification Fund; and
  - £650k to the 'Third Sector' Action in relation to the support to Credit Unions to fund the increase in project costs related to the additional business support arrangements for Welsh Credit Unions.

### Third Sector Action

- £650k from the 'Financial Inclusion' Action in relation to the support to Credit Unions to fund the increase in project costs related to the additional business support arrangements for Welsh Credit Unions.

**5.6** £1,675k has been transferred within the MEG, the net impact of which is neutral, from the 'Driving Better Collaboration' Action to the Supporting Collaboration and Reform Action (formerly 'Supporting Simpler and More Effective Services' Action) as part of the realignment of Budgets.

### **Capital Changes**

**5.7** There has been a total transfer from Reserves of £13,400k comprising:

### Motorway and Trunk Roads Network Operations Action

- A total transfer in of £9,000k including:
  - £6,300k of Centrally Retained Capital funding for the following:
    - £4,000k for Welsh National Traffic Data System;
    - £400k for M4 J32: Coryton Improvement Scheme; and
    - £1,900k for Road Salt Storage.
  - £2,700k as part of the capital investment package announced in May, comprising:
    - £1,500k for the M4 junction 33-34 hard shoulder running; and
    - £1,200k for the M4 junction 49 (Pont Abraham) signalisation.

### Road and Rail Schemes Action

- £3,900k of Centrally Retained Capital funding comprising:
  - £1,900k for the A470 Maes yr Helmau to Cross Foxes Improvement; and
  - £2,000k for the A470 Gelligemlyn.



### Domestic Abuse Action

- £500k for the 'Domestic Abuse' Action towards premises for 'One Stop Shops' which provide support, advice and information for victims of domestic abuse as part of the capital investment package announced in May.

**5.8** £5,690k has been transferred from the 'Substance Misuse' Action to the 'Deliver the Substance Misuse Strategy Implementation Plan' Action contained within the Health, Social Services and Children MEG to reflect a change in Ministerial portfolios.

### **Changes to budget structure**

**5.9** There has been a re-structuring of budgets within the Transport portfolio to align better with the priorities of the National Transport Plan and to improve the transparency of the information provided. Annex 2 provides a reconciliation between the new and old structures.

**Table 5.1 – Local Government and Communities SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>8</sup>	Changes	Revised Budget	Budget <sup>8</sup>	Changes	Revised Budget
Local Government Funding	4,240,114	-845	4,239,269	20,000	0	20,000
Supporting Communities and People	53,227	736	53,963	14,774	0	14,774
Safer Communities	44,026	-27,475	16,551	8,529	-5,190	3,339
Improving Services, Collaboration and Democracy	41,896	0	41,896	0	0	0
Care and Social Services Inspectorate	15,190	0	15,190	0	0	0
Healthcare Inspectorate Wales	2,722	0	2,722	0	0	0
Estyn	12,968	0	12,968	315	0	315
Motorway and Trunk Road Network Operations	168,951	0	168,951	46,366	9,000	55,366
Rail and Air Services	173,971	0	173,971	0	0	0
Road and Rail Investment	0	0	0	92,794	3,900	96,694
Sustainable Travel	84,091	11,000	95,091	43,826	0	43,826
Improve and Maintain Local Roads Infrastructure	0	0	0	28,137	0	28,137
Improve Road Safety	5,716	0	5,716	6,900	0	6,900
<b>Total DEL</b>	<b>4,842,872</b>	<b>-16,584</b>	<b>4,826,288</b>	<b>261,641</b>	<b>7,710</b>	<b>269,351</b>
<b>AME</b>						
Local Government Funding	20,717	0	20,717	0	0	0
Improve Domestic Connectivity (Regional and National)	43,597	-12,929	30,668	0	0	0
<b>Total Managed Expenditure (TME)</b>	<b>4,907,186</b>	<b>-29,513</b>	<b>4,877,673</b>	<b>261,641</b>	<b>7,710</b>	<b>269,351</b>

<sup>8</sup> Budget figures as per Final Budget Motion approved December 2011.

## 6. Business, Enterprise, Technology and Science

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### Overall Budget Changes

**6.1** There has been a net increase in Business, Enterprise, Technology and Science DEL of £2,900k, comprising a decrease in resource of £6,000k and an increase in capital of £8,900k.

### AME

**6.2** There are no changes to the AME allocation.

### Resource Changes

**6.3** A transfer in of £1,000k from DEFRA to 'Meeting the needs of Rural Communities and Rural Proofing WAG' Action, for supplementary funding to local authorities to deliver animal health and welfare enforcement priorities and maintain the Animal Movements Licensing System.

**6.4** £7,000k has been transferred to the 'Sustainable Travel' Action in the Local Government and Communities MEG as part of a budget transfer between the Business, Enterprise, Technology and Science MEG and the Local Government and Communities MEG agreed after the last Supplementary Budget of 2011-12.

**6.5** There have also been a number of transfers within the MEG, the net impact of which is neutral. These have been made to support the delivery of the sector strategy and central strategy programmes:

### Sectors Action

- A net transfer in of £13,896k comprising:
  - £5,000k from the 'Developing and Marketing the Welsh Food and Drink' Action to support the delivery of the new Food and Farming Sector;

- £7,626k from the 'Increase Visitor Demand and Conversion' Action to support the delivery of the new Tourism Sector;
- £4,136k from the 'Developing the Visitor Experience' Action to support the delivery of the new Tourism Sector;
- £2,005k from the 'Regional Funding' Action to release funding in support of the nine Sectors; and
- £4,871k to the 'Innovation' Action to align the Academia for Business programme and related activity to the Science and Innovation agenda. The 'Encouraging Innovation' SPA has been renamed 'Science and Innovation' Action.

#### Innovation Action (Formerly 'Encouraging Innovation')

- £4,871k from the 'Sectors' Action to align the Academia for Business programme and related activity to the Science and Innovation agenda.

#### Regional Funding Action

- £2,005k to the 'Sectors' Action to release funding in support of the nine Sectors.

#### Major Events Action

- £961k from the 'Increase Visitor Demand and Conversion' Action to align budgets with Major Events related activity.

#### Corporate Programmes Action

- £468k from the 'Strategy Programmes' Action to support the delivery of the central strategy programmes.

#### Strategy Programmes Action

- £468k to the 'Corporate Programmes' Action to support the delivery of the central strategy programmes.

#### Developing and Marketing Welsh Food and Drink Sector Action

- £5,000k to the 'Sectors' Action to support the delivery of the new Food and Farming Sector.

#### Increase Visitor Demand and Conversion Action

- A total transfer out of £8,587k comprising:
  - £7,626k to the 'Sectors' Action to support the delivery of the new Tourism Sector; and
  - £961k to the 'Major Events' Action to align budgets with Major Events related activity.

#### Developing the Visitor Experience Action

- £4,136k to the 'Sectors' Action to support the delivery of the new Tourism Sector.

**6.6** The following SPAs and associated Actions have been moved in their entirety to the 'Strategy and Corporate Programmes' SPA:

- £4,802k from the 'Finance Wales' SPA and Action to align the central management and administration of Finance Wales PLC which is a wholly owned subsidiary of the Welsh Government; and
- £2,796k from the 'Marketing' SPA and Action to reflect that it supports central Business, Enterprise, Technology and Science initiatives and is managed in line with strategy and corporate delivery.

### **Capital Changes**

**6.7** There has been a total transfer from Reserves of £8,900k comprising:

#### Sectors Action

- A total transfer in of £6,000k as part of the capital investment package announced in May, comprising:
  - £2,500k to the Wales Economic Growth Fund for the short term, fast track fund for businesses providing immediate access to capital funding for investment; and

- £3,500k for Deeside Enterprise Zone – a major capital flood mitigation scheme to facilitate the development of the 'Northern Gateway' in Deeside, which is critical to attract new investments to the Enterprise Zone.

#### Delivering the Programmes within the Rural Development Plan Action

- £2,900k of Centrally Retained Capital Funding for the provision of on line services for Rural Payments in Wales.

**6.8** There have also been a number of transfers within the MEG, the net impact of which is neutral. These have been made to support the delivery of the sector strategy and central strategy programmes.

#### Sectors Action

- A net transfer in of £2,840k comprising:
  - £750k to the 'Innovation' Action to align the Academia for Business programme and related activity to the Science and Innovation agenda. The 'Encouraging Innovation' SPA has been renamed 'Science and Innovation' Action;
  - £995k from the 'Regional Funding' Action to release funding in support of the nine sectors; and
  - £2,595k from the 'Developing the Visitor Experience' Action to support the delivery of the new Tourism Sector.

#### Innovation Action (Formerly 'Encouraging Innovation')

- A transfer in of £750k from the 'Sectors' Action to align the Academia for Business and related activity to the Science and Innovation agenda.

#### Regional Funding Action

- £995k to the 'Sectors' Action to release funding in support of the nine sectors.

### Developing the Visitor Experience Action

- £2,595k to the 'Sectors' Action to support the delivery of the new Tourism Sector.

**6.9** The 'Finance Wales' SPA and Action of £1,500k has been moved in its entirety to the 'Strategy and Corporate Programmes' SPA to align the central management and administration of Finance Wales PLC, which is a wholly owned subsidiary of the Welsh Government.

**Table 6.1 – Business, Enterprise, Technology and Science SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>9</sup>	Changes	Revised Budget	Budget <sup>9</sup>	Changes	Revised Budget
Sectors and Business	43,826	6,896	50,722	59,992	8,840	68,832
Science and Innovation	5,785	4,871	10,656	357	750	1,107
Regional Funding	2,005	-2,005	0	995	-995	0
Finance Wales	4,802	-4,802	0	1,500	-1,500	0
Major Events	3,870	961	4,831	0	0	0
Marketing	2,796	-2,796	0	0	0	0
Infrastructure	22,415	0	22,415	11,031	0	11,031
Strategy and Corporate Programmes	4,880	7,598	12,478	417	1,500	1,917
WEFO	1,522	0	1,522	0	0	0
Rural Affairs	78,246	-,4000	74,246	12,569	2,900	15,469
Tourism	12,723	-12,723	0	2,595	-2,595	0
<b>Total DEL</b>	<b>182,870</b>	<b>-6,000</b>	<b>176,870</b>	<b>89,456</b>	<b>8,900</b>	<b>98,356</b>
<b>AME</b>						
Infrastructure	41,402	0	41,402	0	0	0
<b>Total Managed Expenditure (TME)</b>	<b>224,272</b>	<b>-6,000</b>	<b>218,272</b>	<b>89,456</b>	<b>8,900</b>	<b>98,356</b>

<sup>9</sup> Budget figures as per Final Budget Motion approved December 2011.



## 7. Education and Skills

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### Overall Budget Changes

**7.1** There has been a net increase in Education and Skills DEL of £18,069k, comprising an increase in resource of £1,119k and an increase in capital of £16,950k.

### AME

**7.2** The AME budget has increased by £27,784k, representing an increase in capital of £16,924k and an increase in resource of £10,860k, to reflect latest forecasts in respect of Student Loans.

### Resource Changes

**7.3** There is a transfer from Reserves of £393k into the 'Pupil Deprivation Grant' Action in relation to an adjustment for the Pupil Deprivation Grant.

**7.4** The net impact of transfers with other MEGs is an increase of £726k, which comprises the following adjustments:

#### Higher Education Action

- £2,051k from the 'Support Education and Training of NHS Workforce' Action in the Health, Social Services and Children MEG to cover payments to Cardiff University to support medical and dental training.

#### Welsh Language Action

- £1,325k to the Central Services and Administration MEG to meet the salary and associated costs of staff that transferred into the Welsh Government on 1 April 2012 following the abolition of the Welsh Language Board, comprising the following adjustment over £250k:
  - £1,273k to the 'Staff Costs' Action.

**7.5** There have also been a number of transfers within the MEG, the net impact of which is neutral. Below is a breakdown of specific transfers above £250k:

#### Curriculum Action

- £693k to the 'Delivery Support' Action for the International Education Programme in respect of CILT, the National Centre for Languages.

#### Qualifications Action

- £4,700k to the 'Post-16 Education' Action for Work Based Learning Welsh Baccalaureate delivery.

#### Post-16 Education Action

- A net transfer in of £4,630k comprising the following transfer above £250k:
  - £4,700k from the 'Qualifications' Action for Work Based Learning Welsh Baccalaureate delivery.

#### Welsh in Education Action

- £4,035k from the 'Welsh Language' Action for Mudiad Meithrin, National Day Nurseries Association and Athrawon Bro grants now being managed by the Welsh in Education Unit.

#### Welsh Language Action

- A total transfer out of £4,089k comprising the following transfer above £250k:
  - £4,035k to the 'Welsh in Education' Action for Mudiad Meithrin, National Day Nurseries Association and Athrawon Bro grants now being managed by the Welsh in Education Unit.

### Delivery Support Action

- A total transfer in of £1,043k comprising the following transfer above £250k:
  - £693k from the 'Curriculum' Action for the International Education Programme in respect of CILT, the National Centre for Languages.

### **Capital Changes**

**7.6** A total transfer from Reserves of £16,950k into the 'Estate and IT Provision' Action comprising:

- £8,950k of Centrally Retained Capital Funding, which includes the following:
  - £1,950k for 'Gateway to the Valleys' project which will establish a new school in Tondu and rationalise the provision of secondary education in the area; and
  - £7,000k for the rationalisation of the secondary school estate in Carmarthenshire.
- £8,000k as part of the capital investment package announced in May, comprising:
  - £5,000k for the acceleration of transitional projects for 21<sup>st</sup> Century Schools; and
  - £3,000k for the Cardiff City Centre Post 16 Campus.

**Table 7.1 – Education and Skills SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>10</sup>	Changes	Revised Budget	Budget <sup>10</sup>	Changes	Revised Budget
Education and Training Standards	1,165,476	1,485	1,166,961	161,243	17,050	178,293
Skilled Workforce	89,669	-20	89,649	0	0	0
Economic and Social Wellbeing and Reducing Inequality	390,762	-10	390,752	0	0	0
Welsh Language	26,355	-1,379	24,976	100	-100	0
Delivery Support	3,148	1,043	4,191	0	0	0
<b>Total DEL</b>	<b>1,675,410</b>	<b>1,119</b>	<b>1,676,529</b>	<b>161,343</b>	<b>16,950</b>	<b>178,293</b>
<b>AME</b>						
Economic and Social Wellbeing and Reducing Inequality	-99,893	10,860	-89,033	250,418	16,924	267,342
<b>Total Managed Expenditure (TME)</b>	<b>1,575,517</b>	<b>11,979</b>	<b>1,587,496</b>	<b>411,761</b>	<b>33,874</b>	<b>445,635</b>

<sup>10</sup> Budget figures as per Final Budget Motion approved December 2011.

## 8. Environment and Sustainable Development

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### Overall Budget Changes

**8.1** There has been a net increase in the Environment and Sustainable Development DEL of £13,710k, comprising a decrease in resource of £30K and an increase in capital of £13,740k.

### Resource Changes

**8.2** There has been a transfer to the Local Government and Communities MEG, however this does not comprise any adjustments above £250k.

**8.3** There have been a number of transfers within the MEG, the net impact of which is neutral. It includes the following transfer above £250k:

- A transfer out of £735k from the 'Deliver Nature Conservation and Marine Policies' Action to the 'Promote Protected Landscapes and Countryside Access' Action in order to fund changes to the way that the Sustainable Development Fund is provided and administered by the National Park Authorities.

### Capital Changes

**8.4** There has been a total transfer from Reserves of £11,000k, comprising:

#### Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation Action

- A total transfer in of £6,000k including:
  - £2,000k of Centrally Retained Capital funding to reduce the risks to vulnerable homes and businesses in the Colwyn Bay and Borth regions of North & West Wales; and
  - £4,000k as part of the capital investment package announced in May for Flood and Coastal risk management schemes in Colwyn Bay, Talgarth, Gilfach Kerry and Borth.

Develop and Implement Climate Change, Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation Action

- A total transfer in of £5,000k as part of the capital investment package announced in May, comprising:
  - £3,000k for NEST, the Welsh Government's fuel poverty scheme; and,
  - £2,000k for the new scheme to run alongside our energy efficiency scheme, *ARBED* Phase 2.

**8.5** There has been a transfer of £2,740k into the 'Develop and Implement Climate Change, Emission Prevention, and Fuel Poverty Policy, Communications, Legislation and Regulation' Action from the Housing, Regeneration and Heritage MEG as a contribution to the match funding for *ARBED* Phase 2, the Welsh Government's Strategic Energy Performance Investment programme. This transfer comprises of;

- £270k from the 'Achieve Quality Housing' Action;
- £1,100k from the 'Increase the Supply and Choice of Housing' Action; and
- £1,370k from the 'Implementation of Strategic Regeneration Areas' Action.

**8.6** There has been a transfer within the MEG of £1,000k, the net impact of which is neutral, from the 'Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation' Action to the 'Sponsor and Manage Delivery Bodies' Action to fund the development of the Single Environment Body Infrastructure.

**Table 8.1 – Environment and Sustainable Development SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>11</sup>	Changes	Revised Budget	Budget <sup>11</sup>	Changes	Revised Budget
Climate Change and Sustainability	115,885	-30	115,855	57,196	12,740	69,936
Environment	80,887	0	80,887	4,600	1,000	5,600
Planning	7,403	0	7,403	0	0	0
Protecting and Improving Animal Health and Welfare	39,454	0	39,454	0	0	0
Evidence Base	354	0	354	38	0	38
Forestry	21,200	0	21,200	-205	0	-205
<b>Total DEL</b>	<b>265,183</b>	<b>-30</b>	<b>265,153</b>	<b>61,629</b>	<b>13,740</b>	<b>75,369</b>
<b>Total Managed Expenditure (TME)</b>	<b>265,183</b>	<b>-30</b>	<b>265,153</b>	<b>61,629</b>	<b>13,740</b>	<b>75,369</b>

<sup>11</sup> Budget figures as per Final Budget Motion approved December 2011.

## 9. Housing, Regeneration and Heritage

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### Overall Budget Changes

**9.1** There has been a net increase in the Housing, Regeneration and Heritage DEL of £19,808k, comprising an increase in resource of £48k and an increase in capital of £19,760k.

### AME

**9.2** The AME budget decreased by £7,000k to reflect the latest forecasts in respect of Housing Revenue Account Subsidy repayments to the Treasury.

### Resource Changes

**9.3** There has been a transfer from the Local Government and Communities MEG. This does not comprise any adjustments above £250k.

**9.4** £300k has been transferred within the MEG, the net impact of which is neutral, from the 'Foster Usage and Lifelong Learning through Library Services' Action to the 'Strategic Leadership for museum, archive and library services' Action, for funding for the People's Collection.

### Capital Changes

**9.5** There has been a total transfer from Reserves of £22,500k comprising:

#### Increase the Supply and Choice of Housing Action

- A total transfer in of £16,000k, comprising:
  - £5,000k of Centrally Retained Capital for the 'Houses into Homes' initiative to bring empty properties back into use.



- £11,000k as part of the capital investment package announced in May, comprising:
  - o £6,000k for the Welsh Housing Partnership Phase 2; and
  - o £5,000k for the 'Houses into Homes' initiative to bring empty properties back into use.

#### Implementation of Strategic Regeneration Areas Action

- A total transfer in of £6,500k from Centrally Retained Capital, including:
  - £5,000k for the West Rhyl housing redevelopment project; and
  - £1,500k for the redevelopment of the Merthyr Tydfil Old Town Hall.

**9.6** £2,740k has been transferred to the 'Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation' Action in the Environment and Sustainable Development MEG for ARBED Phase 2, the Welsh Government's Strategic Energy Performance Investment Programme, from the following Actions:

- £270k from the 'Achieve Quality Housing' Action;
- £1,100k from the 'Increase the Supply and Choice of Housing' Action; and
- £1,370k from the 'Implementation of Strategic Regeneration Areas' Action.

**9.7** £1,000k has been transferred within the MEG, the net impact of which is neutral, from the 'Foster Usage and Lifelong Learning through Museum Services' Action to the 'Increase the Supply and Choice of Housing' Action, to deliver additional new housing units.

**Table 9.1 – Housing, Regeneration and Heritage SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>12</sup>	Changes	Revised Budget	Budget <sup>12</sup>	Changes	Revised Budget
Housing	151,147	0	151,147	231,970	15,630	247,600
Regeneration	14,336	48	14,384	51,477	5,130	56,607
Support and sustain a strong arts sector via the Arts Council and others	34,802	0	34,802	455	0	455
Museums, Archives and Libraries	37,436	0	37,436	4,973	-1,000	3,973
Delivery of effective sports and physical activity programmes	24,923	0	24,923	345	0	345
Media and Publishing	3,980	0	3,980	25	0	25
Conserve, protect, sustain and promote access to the historic environment	11,658	0	11,658	5,313	0	5,313
<b>Total DEL</b>	<b>278,282</b>	<b>48</b>	<b>278,330</b>	<b>294,558</b>	<b>19,760</b>	<b>314,318</b>
<b>AME</b>						
Museums, Archives and Libraries	2,490	0	2,490	0	0	0
Housing	-61,000	-7,000	-68,000	0	0	0
<b>Total Managed Expenditure (TME)</b>	<b>219,772</b>	<b>-6,952</b>	<b>212,820</b>	<b>294,558</b>	<b>19,760</b>	<b>314,318</b>

<sup>12</sup> Budget figures as per Final Budget Motion approved December 2011.

## 10. Central Services and Administration

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### Overall Budget Changes

**10.1** There has been a net increase in the Central Services and Administration DEL of £12,964k, all of which is resource.

### AME

**10.2** The AME budget has decreased by £5k to reflect latest forecasts in respect of provisions for early retirement.

### Resource Changes

**10.3** There is a transfer of £10,000k from Reserves into the 'Invest-to-Save' Action to provide funding for round six projects, details of which were announced on 19 June.

**10.4** There is a transfer out of £1,926k from the 'Geographic Information' Action to the Department for Business, Innovation and Skills for pan-Wales geographic information services.

**10.5** The net impact of transfers with other MEGs is an increase of £4,890k, which comprises the following adjustments above £250k:

### Staff Costs Action

- A transfer in of £1,273k from the 'Welsh Language' Action in the Department for Education and Skills MEG to meet the salary and associated costs of staff that transferred into the Welsh Government on 1 April 2012 following the abolition of the Welsh Language Board.

### Tribunals Action

- A transfer in of £1,970k from the 'Support Mental Health Policies and Legislation' Action in the Health, Social Services and Children MEG in respect of Mental Health Review Tribunals.

### Geographical Information Action

- £1,595k from the 'Geographic Information' Action in the Local Government and Communities MEG for the Local Government contribution towards pan-Wales geographic information services.

### **Capital Changes**

**10.6** There have been no changes to the Capital budget.

**Table 10.1 – Central Services and Administration SPA Allocations**

DEL	£000s			£000s		
	2012-13 Resource			2012-13 Capital		
	Budget <sup>13</sup>	Changes	Revised Budget	Budget <sup>13</sup>	Changes	Revised Budget
Delegated Running Costs	204,340	1,273	205,613	0	0	0
Central Running Costs	91,377	52	91,429	11,145	0	11,145
Information and Support Services	11,377	11,639	23,016	0	0	0
Central Programmes	14,361	0	14,361	17,319	0	17,319
<b>Total DEL</b>	<b>321,455</b>	<b>12,964</b>	<b>334,419</b>	<b>28,464</b>	<b>0</b>	<b>28,464</b>
<b>AME</b>						
Central Running Costs	-1,837	-5	-1,842	0	0	0
<b>Total Managed Expenditure (TME)</b>	<b>319,618</b>	<b>12,959</b>	<b>332,577</b>	<b>28,464</b>	<b>0</b>	<b>28,464</b>

<sup>13</sup> Budget figures as per Final Budget Motion approved December 2011.

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

This document supports the Supplementary Budget Motion, which sets out the changes to both the resources that the Welsh Government is proposing to use in 2012-13 and the cash it is seeking authority to draw from the Welsh Consolidated Fund. The tables within this report show budgets on an administrative basis, whereas the figures in the Supplementary Budget Motion are on a resource basis.

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

### Health, Social Services and Children

DEL	£000s
	2012-13
Resource	6,081,527
Capital	261,713
<b>AME</b>	
Resource	201,710
Capital	0
<b>Total Managed Expenditure</b>	<b>6,544,950</b>
<b>Reconciliation to Resources</b>	
Resource Consumption of WGSBs and NHS bodies	-321,457
Supported Borrowing	-4,174
National Insurance Fund Receipts (and collection costs)	-887,398
<b>Resources requested</b>	<b>5,331,921</b>

### Local Government and Communities

DEL	£000s
	2012-13
Resource	4,826,288
Capital	269,351
<b>AME</b>	
Resource	51,385
Capital	0
<b>Total Managed Expenditure</b>	<b>5,147,024</b>
<b>Reconciliation to Resources</b>	
Resource Consumption of WGSBs and NHS bodies	-400
Supported Borrowing	-12,001
National Non Domestic Rates payable (and collection costs)	-949,172
PFI	-7,353
<b>Resources requested</b>	<b>4,178,098</b>

### Business, Enterprise, Technology and Science

DEL	£000s
	2012-13
Resource	176,870
Capital	98,356
<b>AME</b>	
Resource	41,402
Capital	0
<b>Total Managed Expenditure</b>	<b>316,628</b>
<b>Reconciliation to Resources</b>	
Direct Charges on the Welsh Consolidated Fund	-1,695
<b>Resources requested</b>	<b>314,933</b>

### Education and Skills

DEL	£000s
	2012-13
Resource	1,676,529
Capital	178,293
<b>AME</b>	
Resource	-89,033
Capital	267,342
<b>Total Managed Expenditure</b>	<b>2,033,131</b>
<b>Reconciliation to Resources</b>	
Resource Consumption of WGSBs and NHS Bodies	-82
Supported Borrowing	-39,038
<b>Resources requested</b>	<b>1,994,011</b>

### Environment and Sustainable Development

DEL	£000s
	2012-13
Resource	265,133
Capital	75,369
<b>AME</b>	
Resource	0
Capital	0
<b>Total Managed Expenditure</b>	<b>340,522</b>
<b>Reconciliation to Resources</b>	
Resource Consumption of WGSBs and NHS Bodies	-3,090
Supported Borrowing	-10,341
<b>Resources requested</b>	<b>327,091</b>

### Housing, Regeneration and Heritage

DEL	£000s
	2012-13
Resource	278,330
Capital	314,318
<b>AME</b>	
Resource	-65,510
Capital	0
<b>Total Managed Expenditure</b>	<b>527,138</b>
<b>Reconciliation to Resources</b>	
Resource Consumption of WGSBs and NHS Bodies	-5,758
Supported Borrowing	-41,745
<b>Resources requested</b>	<b>479,635</b>

### Central Services and Administration

DEL	£000s
	2012-13
Resource	334,419
Capital	28,464
<b>AME</b>	
Resource	1,842
Capital	0
<b>Total Managed Expenditure</b>	<b>361,041</b>
<b>Reconciliation to Resources</b>	
Direct Charges on the Welsh Consolidated Fund	-97
<b>Resources requested</b>	<b>360,944</b>



## Annex 2 – Reconciliation of Transport Budget Structures within Local Government & Communities

### MEG

RESOURCE BUDGET – Departmental Expenditure Limit		£000s			
SPA	ACTION	2012-13 Baseline Restated	2013-14 Baseline Restated	2014-15 Baseline Restated	Comments
<b>Motorway &amp; Trunk Road Network Operations</b>	Motorway & Trunk Road Operations	60,260	65,521	64,883	1. £20,612k in 2012/13; £20,706k in 2013/14 & 2014/15 reallocated from the Improve & Maintain Trunk Road Network (Domestic Routes) Action. 2. £38,327k in 2012/13; £38,304k in 2013/14 & 2014/15 reallocated from the Improve International Connectivity Action. 3. £1,042k in 2012/13; £6,233k in 2013/14 & £5,591k in 2014/15 reallocated from the Develop Sustainable Travel Action. 4. £279k in 2012/13; £278k in 2013/14 & £282k in 2014/15 reallocated from the Improve Road Safety & Transport's Impact on the Environment Action
	Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash	108,691	108,691	108,691	1. £34,781k in 2012/13, 2013/14 & 2014/15 reallocated from the Improve & Maintain Trunk Road Network (Domestic Routes) – Non Cash Action. 2. £73,910k in 2012/13, 2013/14 & 2014/15 reallocated from the Improve International Connectivity Non Cash Action.
	<b>Total Motorway &amp; Trunk Road Network Operations</b>	<b>168,951</b>	<b>174,212</b>	<b>173,574</b>	
<b>Rail &amp; Air Services</b>	Rail & Air Services	173,971	173,179	173,179	1. £172,371k in 2012/13; £171,579k in 2013/14 & 2014/15 reallocated from the Improve Public Transport (Rail) Action. 2. £1,600k in all 3 financial years reallocated from the Improve International Connectivity Action.
	<b>Total Rail &amp; Air Services</b>	<b>173,971</b>	<b>173,179</b>	<b>173,179</b>	
<b>Sustainable Travel</b>	Sustainable Travel	84,091	82,762	84,105	1. £84,091k in 2012/13; £82,762k in 2013/14 & £84,105k in 2014/15 reallocated from the Develop Sustainable Travel Action.
	<b>Total Sustainable Travel</b>	<b>84,091</b>	<b>82,762</b>	<b>84,105</b>	
<b>Improve Road Safety</b>	Improve Road Safety	5,716	4,717	4,713	£5,716k in 2012/13; £4,717k in 2013/14 & £4,713k in 2014/15 reallocated from the Improve Road Safety & Transport's Impact on the Environment Action.
	<b>Total Improve Road Safety</b>	<b>5,716</b>	<b>4,717</b>	<b>4,713</b>	
	<b>Total Revenue – Transport Budgets</b>	<b>432,729</b>	<b>434,870</b>	<b>435,571</b>	

CAPITAL BUDGET - Departmental Expenditure Limit		£000s			
SPA	ACTION	2012-13 Baseline Restated	2013-14 Baseline Restated	2014-15 Baseline Restated	Comments
<b>Motorway &amp; Trunk Road Network Operations</b>	Motorway & Trunk Road Network Operations	46,366	38,151	43,204	1. £21,072k in 2012/13; £21,119k in 2013/14 & £23,227k in 2014/15 reallocated from the Improve & Maintain Trunk Road Network (Domestic Routes) Action. 2. £19,989k in 2012/13; £15,949k in 2013/14 & £18,894k in 2014/15 reallocated from the Improve International Connectivity Action. 3. £4,222k in 2012/13 reallocated from the Improve Local Roads Infrastructure Action. 4. £1,083k in all 3 financial years reallocated Improve Road Safety & Transport's Impact on the Environment Action.
	<b>Total Motorway &amp; Trunk Road Network Operations</b>	<b>46,366</b>	<b>38,151</b>	<b>43,204</b>	
<b>Road &amp; Rail Investment</b>	Road & Rail Schemes	92,794	93,991	91,046	1. £12,954k in 2012/13 reallocated to the Improve & Maintain Trunk Road Network (Domestic Routes) Action. 2. £47,142k 2012/13; £27,426k in 2013/14 & 2014/15 reallocated from the Improve Public Transport (Rail) Action. 3. £32,698k in 2012/13; £66,565k in 2013/14 & £63,620k in 2014/15 reallocated from the Improve International Connectivity Action.
	<b>Total Road &amp; Rail Investment</b>	<b>92,794</b>	<b>93,991</b>	<b>91,046</b>	
<b>Sustainable Travel</b>	Sustainable Travel	43,826	41,640	39,532	1. £29,171k in 2012/13; £27,257k in 2013/14 & 2014/15 reallocated from Develop Sustainable Transport Action. 2. £11,071k in 2012/13; £8,312k in 2013/14 & 2014/15 reallocated from the Improve & Maintain Local Roads Infrastructure Action. 3. £3,584k in 2012/13; £6,071k in 2013/14 & £3,963k in 2014/15 reallocated from the Improve & Maintain Trunk Road Network (Domestic Routes) Action.
	<b>Total Sustainable Travel</b>	<b>43,826</b>	<b>41,640</b>	<b>39,532</b>	
<b>Improve &amp; Maintain Local Roads Infrastructure</b>	Improve & Maintain Local Roads Infrastructure	12,805	0	0	£12,805k in 2012/13 only reallocated from the Improve & Maintain Local Roads Infrastructure Action.
	General capital Funding - Roads	15,332	13,667	13,667	£15,332k in 2012/13; £13,667k in 2013/14 & £13,667k in 2014/15 reallocated from the Improve Integrated Transport (Local) SPA.
	<b>Total Improve &amp; Maintain Local Roads Infrastructure</b>	<b>28,137</b>	<b>13,667</b>	<b>13,667</b>	
<b>Improve Road Safety</b>	Improve Road Safety	6,900	6,900	6,900	£6,900k in all 3 financial years reallocated from the Improve Road Safety & Transport's Impact on the Environment Action.
	<b>Total Improve Road Safety</b>	<b>6,900</b>	<b>6,900</b>	<b>6,900</b>	
	<b>Total Capital - Transport Budgets</b>	<b>218,023</b>	<b>194,349</b>	<b>194,349</b>	

### Annex 3 – Recurrent Allocations from Reserves

MEG	Action	Resource/ Capital	Description	£000s		
				2012-13	2013-14	2014-15
Health and Social Services	NHS Delivery Action	Capital	CRC Project Phase 2 – Development of Services at Cardiff Royal Infirmary	5,900	2,000	0
Local Government and Communities	Sustainable Travel	Resource	Local Government Borrowing Initiative	4,000	8,000	12,000
	Improve and Maintain Trunk Road Network (Domestic Routes)	Capital	CRC Project Phase 1- A470 Maes yr Helmau to Cross Foxes Improvement	1,900	1,900	0
			CRC Project Phase 1 – A470 Gelligemlyn	2,000	2,000	0
	Motorway and Trunk Roads Network Operations'	Capital	CRC Project Phase 2 – Welsh National Traffic Data System	4,000	3,000	0
			CRC Project Phase 2 – M4 J32: Coryton Improvement Scheme	400	1,700	0
			CRC Project Phase 2 – Welsh National Winter Maintenance Resilience: Strategic Road Salt Storage	1,900	700	0
Business, Enterprise, Technology and Science	Meeting the Needs of Rural Communities and Rural Proofing WG Actions	Resource	From DEFRA (UK Gov) – Animal Movement Licensing System	1,000	800	600
	Delivering the programmes within the Rural Development Plan	Capital	CRC Project Phase 1 – Rural Online Payments	2,900	2,700	0
Education and Skills	Estate and IT Provision	Capital	CRC Project Phase 2 - Bridgend – Gateway to the Valleys	1,950	2,100	0
			CRC Project Phase 2 – Dinefwr: Carmarthen 14-19 Learning Partnership	7,000	7,000	0
Housing, Regeneration and Heritage	Implementation of Strategic Regeneration Areas	Capital	CRC Project Phase 1 – Merthyr Tydfil Old Town Hall	1,500	1,500	0
			CRC Project Phase 2 – West Rhyl Housing Project	5,000	5,000	0
Central Services and Administration	Geographic Information	Resource	Department for Business, Innovation and Skills (UK Gov): Pan Government Digital Mapping	-1,926	-1,786	-1,662
	Invest to Save	Resource	Invest to Save	10,000	2,000	8,000

## Annex 4 – Glossary

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<b>Action</b>	<p>Within each Spending Programme Area (SPA), budgets are allocated to a number of sub-programmes known as Actions. Tables showing budgets at Action level are available at:</p> <p><a href="http://www.wales.gov.uk/budget">www.wales.gov.uk/budget</a></p>
<b>Ambits</b>	<p>Descriptions of the specific purposes for which Welsh Ministers are authorised by the National Assembly for Wales to spend resources. Ambit Descriptions and resource limits are contained within the Annual Budget Motion. Ambits correspond to MEGs.</p>
<b>Annually Managed Expenditure (AME)</b>	<p>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.</p>
<b>Budget Exchange System</b>	<p>The system under which the Welsh Government is able to carry forward underspends, up to an agreed cap. The agreed cap is 0.6% of our Resource DEL budget and 1.5% of our Capital DEL budget.</p>
<b>Budget Motion</b>	<p>The means by which the National Assembly for Wales authorises Welsh Ministers to spend resources up to a specific level for specified purposes and to draw cash up to a specific limit from the Welsh Consolidated Fund.</p>
<b>Capital</b>	<p>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.</p>
<b>Departmental Expenditure Limit (DEL)</b>	<p>The multi-year budget limit for the Welsh Government set by the HM Treasury. DEL is planned and controlled on a three year basis in Spending Reviews.</p>
<b>Depreciation</b>	<p>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.</p>

<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>Fiscal Resource DEL</b> (previously known as near-cash)	Accruals measures of transactions that normally turn into cash flows soon, for example, pay, current procurement, resource 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, Social Services and Children; Local Government and Communities; Business, Enterprise, Technology and Science; Education and Skills; Environment and Sustainable Development; Housing, Regeneration and Heritage; and Central Services and Administration.
<b>Non-Fiscal Resource DEL</b> (previously known as non-cash)	Accruals measures included in budgets to ensure they reflect the full economic cost of activities even though there is not a direct link to cash flows in the relevant period - for example, depreciation and provisions. Non-fiscal resource DEL cannot be used to fund fiscal resource DEL spending.
<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 budget includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.
<b>Resource</b> (previously known as revenue)	Current expenditure, for example, funding for the pay of public sector workers and to purchase consumable goods and services.
<b>Spending Programme Area (SPA)</b>	Within each MEG, budgets are allocated to Spending Programme Areas according to the kind of services they will deliver.

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