

Finance Committee

Meeting Venue:
Committee Room 1 – Senedd

Meeting date:
20 February 2012

Meeting time:
13:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

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Agenda

1. Introductions, apologies and substitutions (13:00–13:05)

2. Welsh Government Supplementary Budget 2011–2012 – Minister for Finance (13:05–14:05) (Pages 1 – 116)

FIN(4)–03–12 – Paper 1 – Welsh Government Supplementary Budget 2011–2012

FIN(4)–03–12 – Paper 2 – Letter from Assembly Commission regarding Supplementary Budget

FIN(4)–03–12 – Paper 3 – Letter from Public Services Ombudsman regarding Supplementary Budget

Jane Hutt AM, Minister for Finance
Jo Salway, Head of Strategic Budgeting
Martin Sollis, Deputy Director of Finance
Jeff Andrews, Specialist Policy Adviser

3. Papers to note (Pages 117 – 156)

FIN(4) 03–12 – Paper 4 – Correspondence from the Minister for Local Government and Communities on the Public Service leadership group National Work Programmes.

Additional Information from the Welsh Government

Minutes of previous meeting

4. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

Items 5 6 and 7

5. Draft Budget Protocol with the Welsh Government (14:05–14:10)

(Pages 157 – 163)

6. Prudential borrowing and innovative approaches to capital funding – Expert Adviser (14:10–14:20)

(Pages 164 – 179)

7. Discussion of Evidence – Welsh Government Supplementary Budget 2011–2012 (14:20–14:40)

Supplementary Budget Motion 2011-12

Laid Before the National Assembly for Wales by the Minister for Finance and Leader of the House

February 2012

Supplementary Budget Motion

The Assembly is asked to agree the following:

“1. This resolution for the year ending 31 March 2012 is made by the National Assembly for Wales (“the Assembly”) pursuant to Section 126 of the Government of Wales Act 2006.

Welsh Assembly Government

2. The Welsh Assembly Government is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2012 for the services and purposes specified in Column 1 of Schedule 1, up to a maximum of the corresponding amounts specified in Column 2 of that Schedule;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of each Part of Schedule 2, during the financial year ending 31 March 2012, for use on the services and purposes specified in the corresponding entries in Column 2 of each Part of that Schedule, up to the limit specified for each Part of that Schedule; and

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

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

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

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

4. The first condition is that the total resources (other than accruing resources) used during the financial year ending 31 March 2012 for all services and purposes specified in Column 1 of Schedule 1 does not exceed the total of the sum of the amounts specified in Column 2 of that Schedule.

5. The second condition is that the total accruing resources used during the financial year ending 31 March 2012 for all services and purposes specified in Column 2 of Schedule 2 does not exceed the total of the sum of the amounts specified for each part of that Schedule.

Assembly Commission

6. The Assembly Commission is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2012 for the services and purposes specified in Column 1 of Parts 1 and 2 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Parts 1 and 2 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 1 of Schedule 4, during the financial year ending 31 March 2012, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 1 of that Schedule, up to the limit specified for Part 1 of that Schedule; and

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

Public Services Ombudsman for Wales

7. The Public Services Ombudsman for Wales is authorised –

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2012 for the services and purposes specified in Column 1 of Part 3 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 3 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 2 of Schedule 4, during the financial year ending 31 March 2012, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 2 of that Schedule, up to the limit specified for Part 2 of that Schedule; and

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

Auditor General for Wales

8. The Auditor General for Wales is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2012 for the services and purposes specified in Column 1 of Part 4 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 4 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 3 of Schedule 4, during the financial year ending 31 March 2012, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 3 of that Schedule, up to the limit specified for Part 3 of that Schedule; and

(c) to draw cash out of the Welsh Consolidated Fund for use on the services and purposes specified in Column 1 of Part 4 of Schedule 3, up to the net cash requirement limit specified in Schedule 5.

Specification of Categories of Accruing Resources

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

Summary of Resource and Capital Requirements

Welsh Ministers

Ambit	Resources (£000)	Accruing Resources (£000)
Health, Social Services and Children	5,355,832	909,168
Local Government and Communities	4,211,559	4,100
Business, Enterprise, Technology & Science	352,431	617,199
Education and Skills	1,939,698	105,346
Environment and Sustainable Development	323,256	5,644
Housing, Regeneration and Heritage	521,239	79,300
Central Services and Administration	366,098	8,500
Total Resources Requested and Accrued Income relating to Welsh Ministers	13,070,113	1,729,257

Direct Funded Bodies

Ambit	Resources (£000)	Accruing Resources (£000)
National Assembly for Wales Commission: Assembly Services	32,328	260
National Assembly for Wales Commission: Assembly Members	15,194	0
Public Services Ombudsman for Wales	5,419	6
Auditor General for Wales	5,403	8,024
Total Resources and Accrued Income for Direct Funded Bodies	58,344	8,290

Schedule 1 – Ambits for expenditure incurred by Welsh Ministers

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Health, Social Services and Children</p> <p>For use by Welsh Ministers to spend on Health, Social Services and Children including promoting or improving economic, social or environmental wellbeing. Revenue and capital funding for local health boards and Welsh NHS Trusts and associated healthcare providers; Public Dividend Capital to NHS Trusts; payments for contracted services including dentistry, ophthalmic and pharmaceutical services; general medical services, support for education and training; research and development; mental health services; chronic disease treatment; and measures to combat Inequalities in Health; funding for support for children and their families, including funding for Flying Start, Families First, the Children’s Commissioner for Wales, child poverty strategies, childcare, play, children and young people’s rights, children and families organisations and advocacy; support for local authorities and the voluntary sector for childcare measures, support for community focussed schools; support for the Food Standards Agency; support for older person’s services and for social services and carers; social services improvement (including the funding of the Association of Directors of Social Services (ADSS) Cymru and Social Care Institute for Excellence (SCIE); for the Care Council for Wales; the National Institute for Health and Clinical Excellence (NICE); the Older People’s Commissioner; and contributions to UK health and social care bodies. Funding for the Children and Family Court Advisory and Support Service (CAFCASS) Cymru; funding for services provided to or on behalf of the Scottish Government, Northern Ireland Executive and Department of Health; services for the improvement of health and the prevention, diagnosis and treatment of illness; and any related expenditure and non cash resource use.</p>	<p>5,355,832</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Local Government and Communities</p> <p>For use by Welsh Ministers on promoting economic, social or environmental wellbeing including Local Government and Public Services, Communities and Social Justice and Transport. Revenue and capital funding for local government including the Revenue Support Grant and National Non-Domestic Rate (NNDR) payments to unitary and police authorities; Improvement Agreement Grant for unitary authorities; PFI support; NNDR collection costs; sponsorship of the Local Government Boundary Commission for Wales, the Adjudication Panel for Wales, Independent remuneration Panel for Wales and the Valuation Tribunal Service for Wales; support for the Wales Audit Office in respect of inspection work; support for the Valuation Office Agency; Treasury Solicitor Services; miscellaneous grants for local government improvement including the Ffynnon programme, the Partnership Scheme and related activity; Council Tax benefit take-up and support for pensioners with council tax; Bellwin; severe weather capital grants; public facilities grant; General Capital Funding; Business rate relief. Supporting and leading the agenda for change, integration, and performance development across the public services in Wales through grant and other funding to public, third sector and other bodies; taking forward our approach as set out in the Better Outcomes for Tougher Times: The Next Phase in Public Service Improvement' cabinet statement, with funding to deliver a suite of enabling programmes such as the Efficiency and Innovation Programme, the Integrated Performance Framework, Local Service Boards and the Wales Spatial Plan; the provision of Matched Funding under Priority 4 of the European Social Fund Modernising and Improving the Qualities of our Public Services; supporting the development and implementation of government policy on Inspection, Audit and Regulation in Wales including the sponsorship of the work in Wales of the Local Better Regulation Office and Participation Cymru; Funding for the Social Services Inspectorate and Healthcare Inspectorate in Wales including staff costs and general administrative expenditure, car leasing costs, associated building running, maintenance and leasing costs, costs associated with information technology and telecommunications and programme costs; sponsorship of Estyn including staff costs and general administrative expenditure, cost of capital and depreciation. Funding for Fire and Rescue Authorities and community fire safety investment; community development support including community facilities and asset transfers; payments to Third Sector organisations and public bodies to support the Communities First programme; support for post</p>	<p>4,211,559</p>

<p>offices and credit unions; grant funding for the Third Sector including volunteering and Criminal Records Bureau checks; financial inclusion including advice on benefit uptake; work to support the armed forces, veterans and their families; grants to deliver the substance misuse strategy and to tackle domestic abuse; support for community safety related initiatives and youth justice, including the funding of Community Safety Partnerships. Revenue and capital funding for civil protection purposes. Revenue and capital funding for road transport, including construction, operation, maintenance and improvement of trunk roads in Wales, delivery of passenger rail and air services; road safety, regulation of pedestrian crossings and on-street parking; funding and administration of programmes to local authorities and other bodies designed to deliver a range of transport schemes and services including concessionary fares; support for the promotion and development of cycling; and any related expenditure and non cash resource use.</p>	
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Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Business, Enterprise, Technology & Science</p> <p>For use by Welsh Ministers on Business, Enterprise, Technology and Science including promoting economic, social or environmental wellbeing.</p> <p>Funding for the provision of support and advice to assist the establishment, growth and development of business in Wales, including the provision of repayable business finance; social and community enterprise development; encourage and promote STEM activities in schools; economic policy, research and evaluation; promote Wales as a location for business and investment, internationally and domestically; promotion of Welsh exports; provision of property and ICT infrastructure for business including environmental improvements, administration and delivery of EC structural funded projects; capital repayments to the National Loans Fund; major events and assistance to Finance Wales. Expenditure relating to agriculture, rural development, fisheries and food including public health and animal traceability and woodlands. European Funding and matched funding: to support farmers in Wales, including the Single Payment Scheme; the management and delivery of measures under the Wales Rural Development Plan; and support for fisheries. Specialist information and advice and services; assistance to and development of the Welsh fisheries sector; management, regulation and enforcement of fisheries and the marine environment; funding for committees and enquiries into rural and environmental issues; publicity; support for the development, production, promotion and marketing of food, including the development of supply chain mechanisms for land based sector products; research and evaluation of agriculture, rural development, fisheries and food policies and development of associated evidence base; measures to mitigate greenhouse gas emissions from the land based sector.</p> <p>Promotion of and support for tourism in Wales and support for the Wales brand; capital grants to support the tourism industry and any other related expenditure and non cash resource use.</p>	<p>352,431</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Education and Skills</p> <p>For use by Welsh Ministers on Education and Skills to fund: the Foundation Phase; nutritional standards in schools; curriculum and qualification development and regulation; schools performance improvement; the funding of inspections; school based counselling; tackling disaffection; school effectiveness; capital and revenue funding for IT development in learning; support for improving standards; support for Techniquest; school uniform grant; school governor activities; capital to support the school and post 16 infrastructure; inclusion and additional learning needs; teacher training, development and support; bilingual learning; capital and revenue funding for the Higher Education Funding Council for Wales; support for undergraduate medical education; support for mergers and collaborations in the education sector; capital and revenue provision for post 16 education and training including Further Education and work based learning; extending entitlement and 14-19 learning pathways; support for the Youth Service; learner and student finance including Student Loans Company costs and Education Maintenance Allowances; careers advice services; improving basic skills; support for international education initiatives; educational research and evaluation; skills development and workplace learning; offender learning; support for the Welsh Language Board and set up costs for the Welsh Language Commissioner and projects which promote the Welsh Language; promotion of education and skills; associated non cash items and any related expenditure and non cash resource use.</p>	<p>1,939,698</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Environment and Sustainable Development For use by Welsh Ministers on Environment and Sustainable Development including promoting or improving economic, social or environmental wellbeing; provide funding, advice and administrative support for local authorities, agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Environment and Sustainable Development; facilitate, promote and deliver sustainability, climate change and environment quality; support and promote low carbon energy generation; energy efficiency and sustainable management of water resources and improvements in water quality; provide and fund water sewerage services, flood and coastal protection and risk management measures; provide funding support and advice relating to climate change, energy efficiency, fuel poverty, water and flood and coastal erosion risk management; provide funding, support and advice relating to waste and sustainability including Aggregates Levy; waste disposal, collection and management, re-cycling schemes, street cleansing and landfill tax credits; manage radioactivity, environmental pollution, environment quality and noise pollution; promoting economic, social and environmental wellbeing for business, people and places in Wales. Planning, including appeals casework, publishing planning documents, and funding for research; transpose and implement UK, European and international legislation and obligations; administration and delivery of EC structural funded projects; provide grant in aid funding, carry out investigations, research, and evaluation; promotion and publicity and services in connection with Environment and Sustainable Development and any related expenditure and non cash resource use; promoting economic, social or environmental wellbeing; conservation; animal and plant health; seeds, pesticides and GM crops; public health; compensation for livestock; animal welfare activities; specialist information and advice and services; disease surveillance activities; information technology development; match funding for European programmes; funding for committees and enquiries into rural and environmental issues; publicity; support for land management and woodland measures; including expenditure under the Rural Development Plan; EU funded woodland grants; capital and revenue expenditure by the Forestry Commission; research and evaluation of Rural Affairs policies and development of the evidence base that informs them; measures to mitigate greenhouse gas emissions from the land based sector; and any related or incidental expenditure including any legal expenditure and non cash resource use.</p>	<p>323,256</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
Column 1	Column 2
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Housing, Regeneration and Heritage</p> <p>For use by Welsh Ministers on Housing, Regeneration and Heritage including promoting or improving culture and economic, social or environmental wellbeing; provide funding, advice and administrative support for local authorities, agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Housing, Regeneration and Heritage; improve the supply and quality of housing across Wales, including the standard of local authority and social landlord housing, and improve housing-related services; acquisition, leasing, development and maintenance of land and buildings; housing stock transfers, community mutual support and capacity building; social housing; support for physical regeneration including housing renewal areas and licensing houses in multiple occupation; supporting people; preventing and addressing homelessness; providing grants for adaptations and facilities to enable people to remain in their own homes; regulation and inspection of registered social landlords; Regeneration policy and administration of policies and grants including promoting economic, social and environmental wellbeing for business, individuals, communities and places in Wales; transpose and implement UK, European and international legislation and obligations; administration and delivery of EC structural funded projects; carry out investigations, research, and evaluation; promotion and publicity and services; provide financial assistance to support culture, sport, media and publishing; and the historic environment including funding Amgueddfa Cymru – National Museum Wales; funding to the National Library of Wales; funding for the Arts Council of Wales; funding for the Wales Millennium Centre; funding for the National Botanic Garden of Wales; funding for the Welsh Books Council; funding for the Sports Council for Wales and organisations that promote sport and active lifestyles throughout Wales; funding to support a Community Radio Fund; funding to support the provision of policy directions to Lottery distributors; funding to support non-national museums, archives and libraries and local and national projects which seek to promote and widen access to cultural treasures; conserving, protecting, sustaining and presenting the historic environment of Wales to achieve an accessible well protected historic environment including current expenditure and the associated running costs and staff costs of Cadw and capital expenditure for grants and for the acquisition of capital assets; funding the Royal Commission on Ancient and Historic Monuments of Wales; any expenditure relating to conserving,</p>	<p>521,239</p>

<p>protecting, sustaining and presenting archaeological remains in Wales, ancient monuments in Wales, buildings and places of historical or architectural interest in Wales, and historic wrecks in Wales; any expenditure on arts and crafts relating to Wales, and on cultural activities and projects relating to Wales; and any related expenditure and non cash resource use.</p>	
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Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Central Services and Administration</p> <p>For use by the Welsh Assembly Government on administration expenditure and running costs including: staff pay costs; payments of national insurance; pension contributions; reimbursement of expenses; compensation; staff loans; car hire and leasing; running costs and investment for the civil estate; the leasing, rental and acquisition of premises; general administrative expenditure; expenditure on IT and telecommunications; expenditure on enabling government; other administrative revenue and capital expenditure; public appointments; enabling and promoting open government; supporting research, including statistical research and evaluation; promoting economic, physical, social or environmental wellbeing; planning, attending and marketing of corporate internal communications events and ongoing external communication of Government policy and action; funding for inter-governmental relations, including the British Irish Council, and for constitutional development, including costs arising from any referendum; hosting events of national importance; spatial planning; the costs of public inquiries; funding to public sector bodies for achieving efficiency gains; funding Value Wales, Xchange Wales and Public Service Management Wales; payments to support overseas development and links; grants and financial support to other public sector organisations; support to EU funded projects; programme funding for equality and equal opportunities and for improving social inclusion and social justice; and any related expenditure and non cash resource use.</p>	<p>366,098</p>

Schedule 2 – Use of accruing resources by Welsh Ministers

Part 1: Health, Social Services and Children

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and purposes for which income may be retained</i>
<p>Accruing resources include income under the Pharmaceutical Price Regulation Scheme; income in respect of settlement of legal claims; charges for accommodation, goods and services to private and NHS patients, local authorities and others; repayment of Invest to Save funding from Local Health Boards and Welsh NHS Trusts; income from the Scottish Government, Northern Ireland Executive, Department of Health, other government departments and the European Union; income generation schemes; National Insurance Income from HM Revenue and Customs; non-operating income from sale of land, buildings, vehicles, equipment and property and recoveries of VAT.</p>	<p>Services and purposes include expenditure on primary and community health services; the purchase or acquisition of fixed assets by Welsh NHS trusts, local health boards and associated healthcare providers; supporting the provision and administration of health and social care services.</p>
<p>Overall amount of Income (£000)</p>	<p>909,168</p>

Part 2: Local Government and Communities

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include grant funding from the European Commission; repayment and recovery of grant payments and recoveries of VAT; fees and charges for inspections and regulatory services; provision of training and development events; charges for dental registration; income from staff secondments; repayment of staff loans; rental income on property; transport studies receipts; compensation under commercial and civil settlements and levy of facilitation fees, income from the sale of capital assets, income from any transport related penalties, fees or charges.	Services and purposes include running costs, general administration costs and revenue expenditure of the Inspectorates and the Valuation Tribunal; the delivery of training interventions for the Welsh Public Service; supporting expenditure on safer communities and regeneration; the payment of grants to local authorities and Third Sector bodies; all European funded projects; and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	4,100

Part 3: Business, Enterprise, Technology & Science

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Grant funding from the European Commission; repayments of grants; property related infrastructure capital receipts and rental income; business services charges; project contributions from other public sector and private sector organisations; investment income; repayable business finance; accruing resources include income from European structural funds; income from the EU for support under the Single Payment Scheme; income from the EU Rural Development Fund; income from the European Fisheries Fund; income from the sale of capital assets; and levy income for the promotion of Welsh meat; income from fisheries regulation and enforcement activities; income relating to tourism activities; recoveries of grants or settlements in respect of grant payments and recoveries of VAT.	All European funded projects and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	617,199

Part 4: Education and Skills

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include Post 16 income from European Projects, research & evaluation and business skills development; curriculum and qualifications royalties; recoveries of Student Loans; sales of publications and recoveries of VAT.	Services and purposes include supporting European projects, CQFW, programme development, business skills development, research & evaluation current expenditure; to support curriculum and qualifications current expenditure and to support all expenditure as identified within the expenditure Ambit.
Overall amount of income (£000)	105,346

Part 5: Environment and Sustainable Development

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include income from European structural funds; income from the EU for woodlands; income from wind farm projects; income from Pwllperian Farm or the sale of capital assets; recoveries of grants or settlements in respect of grant payments; recoveries of VAT; income from the salvage of carcasses from animals slaughtered for disease control and income from the EU for the eradication of bovine TB; income from grant recoveries from local authorities, third sector organisations and other public and private sector organisations; income from marine licences; civil penalty fines associated with emission trading schemes; Food and Environmental Protection Act Licences, Dredging Licenses, OFWAT income in respect of the Consumer Council for Water, receipts from the sales of assets, funding from other central government departments and recoveries of VAT.	Services and purposes include compensation for the removal of diseased livestock; expenditure relating to the eradication of bovine TB; and expenditure on the promotion of Welsh meat; expenditure on Countryside Council for Wales Current Expenditure; the costs of administering the systems for marine licensing, dredging licenses and Food and Environment Protection Act licenses; and grant payments, schemes part supported by other government departments.
Overall amount of Income (£000)	5,644

Part 6: Housing, Regeneration and Heritage

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Service and Purposes for which income may be retained</i>
<p>Accruing resources include income from repayments of Social Housing Grant; grant recoveries from local authorities, third sector organisations and other public and private sector organisations; Rent Assessment Panel receipts, receipts from the sales of assets, funding from other government departments and recoveries of VAT; Cadw income from admission charges to Cadw sites, sales of souvenirs, publications, (including sales of carrier bags), fees for specialist advisory services and Heritage in Wales membership; other income including income from events, filming, photography at sites, car parking and bequests; funds via European and other funding schemes; Royal Commission income from sales of publications and grants; recoveries of grants or settlements in respect of grant payments; ad-hoc grants from other sources and recoveries of VAT.</p>	<p>Services and purposes include Social Housing expenditure and grant payments and schemes part supported by other government departments; expenditure on Regeneration schemes; Cadw expenditure on archaeology, scheduling monuments, grants for historic buildings and ancient monuments, care and presentation of the monuments in care, and current expenditure/running costs (including staff); all European funded projects; use of proceeds from sales of carrier bags for schemes for charitable purposes; and Royal Commission Current expenditure/running costs (including staff).</p>
<p>Overall amount of Income (£000)</p>	<p>79,300</p>

Part 7: Central Services and Administration

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and Purposes for which income may be retained</i>
<p>Accruing resources include income from: staff secondments and fees; repayment of staff loans; the refund of statutory PAYE deductions; recoveries of VAT; the sale of land and buildings; the sub let of properties; the sale of administrative assets; services provided to public sector bodies; administrative income; income from ICT services provided; recovery of costs shared with other public sector bodies; receipts of recoverable grants including Invest-to-Save receipts; and training provider repayments.</p>	<p>Services and purposes include funding of running costs and general administrative expenditure and supporting capital expenditure on the Assembly Government's estate and asset base.</p>
<p>Overall amount of Income (£000)</p>	<p>8,500</p>

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

Part 1 – National Assembly for Wales Commission: Assembly Services

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the National Assembly for Wales Commission on revenue and capital costs associated with the administration and operation of the National Assembly for Wales ('the Assembly'); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Assembly or functions of the National Assembly for Wales Commission.	32,328

Part 2 - National Assembly for Wales Commission: Assembly Members

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the National Assembly for Wales Commission in respect of decisions of the Remuneration Board.	15,194

Part 3 – Public Services Ombudsman for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the Public Services Ombudsman for Wales ('the Ombudsman') on revenue and capital costs associated with the administration of the Ombudsman's office; payments to the British and Irish ombudsman association; payments to the European ombudsman association; payments to the International Ombudsman Institute and associated non cash items.	5,419

Part 4 – Auditor General for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the Auditor General on the administration of the Wales Audit Office and the discharge of the statutory functions of the Auditor General and local government appointed auditors.	5,403

Schedule 4 – Use of accrued resources by Direct Funded Bodies

Part 1 – National Assembly for Wales Commission: Assembly Services

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and purposes for which income may be retained</i>
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission from the disposal of fixed assets and other capital income; rental income; gifts; grant support; recharges; income from commercial sales and other services provided to the public or others	For use on the purchase or acquisition of fixed assets and for use on administrative costs of the Assembly.
Overall amount of Income (£000)	260

Part 2 – Public Services Ombudsman for Wales

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

Part 3 – Auditor General for Wales

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and purposes for which income may be retained</i>
<p>Accruing resources from fees and charges for audit and related services (excluding income under part 1 of the Local Government Act 1999 and Part 2 of the Public Audit (Wales) Act 2004); other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences, provision of administrative services etc.; recoveries of costs of seconded staff; repayments of staff loans; recoveries of car leasing payments; and interest received on working balance fees.</p>	<p>For use by the Auditor General on related services and the administration of the Wales Audit Office.</p>
<p>Overall amount of income (£000)</p>	<p>8,024</p>

Schedule 5: Resource to Cash Reconciliation 2011-12 (£000)

Table 1: Resource to cash Reconciliation for 2011-12 included in the June 2011 Supplementary Budget Motion (£000)

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	12,421,491	48,206	3,839	4,853
Net Capital Requirement	395,984	1,116	15	0
Adjustments:				
Capital Charges	-98,565	-3,254	-148	-200
Impairments	-95,180			
Movements in Provisions	-28,125	-500	-50	
Profit/Loss on sale of assets				
Movements in stocks				
Movements in debtors/creditors		1,150	25	100
Use of Provisions			50	
Other				
Net Cash Requirement for issue from the Welsh Consolidated Fund	12,595,605	46,718	3,731	4,753

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

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	259,384	-1,800	1,565	550
Net Capital Requirement	-6,746	-	-	-
Adjustments:				
Capital Charges	-28,843	-	-	-
Impairments	-51,920	-	-	-
Movements in Provisions	-10,930	-	-1,565	-
Profit/Loss on sale of assets	-	-	-	-
Movements in stocks	-	-	-	-
Movements in debtors/creditors	-12,755	-	-	-
Use of Provisions	-	-	-	-
Other	-	-	-	-
Net Cash Requirement for issue from the Welsh Consolidated Fund	148,190	-1,800	0	550

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

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	12,680,875	46,406	5,404	5,403
Net Capital Requirement	389,238	1,116	15	0
Adjustments:				
Capital Charges	-127,408	-3,254	-148	-200
Impairments	-147,100			
Movements in Provisions	-39,055	-500	-1,615	
Profit/Loss on sale of assets				
Movements in stocks				
Movements in debtors/creditors	-12,755	1,150	25	100
Use of Provisions			50	
Other				
Net Cash Requirement for issue from the Welsh Consolidated Fund	12,743,795	44,918	3,731	5,303

Notes:

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

Schedule 6: Reconciliation of resources requested in the budget motion to resources made available by the Treasury for the Welsh Block for 2011-12

Table 1: Reconciliation of Resources Requested in the June 2011 Supplementary Budget Motion to the resources made available by the Treasury for Wales (£000)

	2011-12 (£000)				Total
	Revenue DEL	Capital DEL	Revenue AME	Capital AME	
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	12,502,992	155,033	-81,501	240,951	12,817,475
- Assembly Commission	47,706	1,116	500	-	49,322
- Ombudsman	3,839	15	-	-	3,854
- Auditor General	4,853	-	-	-	4,853
Total Resources Requested in the Supplementary Budget Motion	12,559,390	156,164	-81,001	240,951	12,875,504
<i>Adjustments:</i>					
(i) Resource Consumption of AGSBs and LHBs	176,971	-	158,839	-	335,810
(ii) Grants	-940,692	940,692	-	-	-
(iii) Supported Borrowing	-	120,211	-	-	120,211
(iv) Other	1,768,132	-	-	-	1,768,132
Total Adjustments in the Supplementary Budget Motion	1,004,411	1,060,903	158,839	-	2,224,153
- Direct Charges on the Welsh Consolidated Fund	11,238				11,238
- Wales Office	6,017	724			6,741
- Unallocated Reserve	204,884	69,880			274,764
Total Managed Expenditure (Block)	13,785,940	1,287,671	77,838	240,951	15,392,400

Table 2: Changes to the Reconciliation of Resources Requested in the June 2011 Supplementary Budget Motion to the resources made available by the Treasury for Wales (£000)

	2011-12 (£000)				
	Revenue DEL	Capital DEL	Revenue AME	Capital AME	Total
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	224,864	1,162	34,520	-7,908	252,638
- Assembly Commission	-1,800	-	-	-	-1,800
- Ombudsman	-	-	1,565	-	1,565
- Auditor General	550	-	-	-	550
Total Resources Requested in the Supplementary Budget Motion	223,614	1,162	36,085	-7,908	252,953
<i>Adjustments:</i>					
(i) Resource Consumption of AGSBs and LHBs	-3,650	-	83,212	-	79,562
(ii) Grants	-190,803	190,803	-	-	-
(iii) Supported Borrowing	-	-	-	-	-
(iv) Other	93,470	-12,755	-	-	80,715
Total Adjustments in the Supplementary Budget Motion	-100,983	178,048	83,212	-	160,277
- Direct Charges on the Welsh Consolidated Fund	-	-	-	-	-
- Wales Office	-	-	-	-	-
- Unallocated Reserve	-148,078	-69,880	-	-	-217,958
Total Managed Expenditure (Block)	-25,447	109,330	119,297	-7,908	195,272

Table 3: Reconciliation of Resources Requested in this Supplementary Budget

	2011-12 (£000)				
	Revenue DEL	Capital DEL	Revenue AME	Capital AME	Total
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	12,727,856	156,195	-46,981	233,043	13,070,113
- Assembly Commission	45,906	1,116	500	-	47,522
- Ombudsman	3,839	15	1,565	-	5,419
- Auditor General	5,403	-	-	-	5,403
Total Resources Requested in the Supplementary Budget Motion	12,783,004	157,326	-44,916	233,043	13,128,457
<i>Adjustments:</i>					
(i) Resource Consumption of AGSBs and LHBs	173,321	-	242,051	-	415,372
(ii) Grants	-1,131,495	1,131,495	-	-	-
(iii) Supported Borrowing	-	120,211	-	-	120,211
(iv) Other	1,861,602	-12,755	-	-	1,848,847
Total Adjustments in the Supplementary Budget Motion	903,428	1,238,951	242,051	0	2,384,430
- Direct Charges on the Welsh Consolidated Fund	11,238				11,238
- Wales Office	6,017	724			6,741
- Unallocated Reserve	56,806				56,806
Total Managed Expenditure (Block)	13,760,493	1,397,001	197,135	233,043	15,587,672

Notes:

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

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

Item	2011-12 £000
Payments to the National Loans Fund	1,704
Salaries and related pension costs of the Presiding Officer and the Deputy Presiding Officer	226
Salaries and related pension costs of the Ombudsman	187
Salaries and related pension costs of the Auditor General	192
Salaries and related pension costs of the Commissioner for Standards	26
National Non Domestic Rates Income	-970,000
National Non Domestic Rates Payable	970,000
Election Costs	8,903
Total	11,238

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

	Previous Provision 2011-12	Changes	Revised Provision 2011-12
Estimated net amounts payable to Welsh Ministers:			
Grant payable by the Secretary of State to the Welsh Consolidated Fund under Section 118 (1)	12,910,867	-45,076	12,865,791
Payments from Other Government Departments	886,953	-8,629	878,324
Payments from other sources	1,679,142	141,791	1,820,933
Estimated amounts payable to Welsh Ministers	15,476,962	88,086	15,565,048
Less amounts authorised to be retained by Welsh Ministers	-1,699,095	-30,162	-1,729,257
Less amounts retained in the Welsh Consolidated Fund	-867,000	-103,000	-970,000
Amounts available for distribution from the Welsh Consolidated Fund	12,910,867	-45,076	12,865,791
Distributed as follows:			
- Welsh Ministers	12,595,605	148,190	12,743,795
- Assembly Commission	46,718	-1,800	44,918
- Ombudsman	3,731	0	3,731
- Auditor General	4,753	550	5,303
Cash Released from the Welsh Consolidated Fund in the Motion	12,650,807	146,940	12,797,747
<i>Plus:</i>			
Direct Charges on the Welsh Consolidated Fund	11,238	0	11,238
Unallocated Funds	248,822	-192,016	56,806
Total Estimated Payments	12,910,867	-45,076	12,865,791

Notes:

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



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Supplementary Budget 2011-2012

Explanatory Note



Contents

1. Introduction	2
2. Key Allocations from Reserves	9
3. Key Changes in the Supplementary Budget	13
4. Budget Exchange System.....	17
5. Health, Social Services and Children	19
6. Local Government and Communities	23
7. Business, Enterprise, Technology and Science	29
8. Education and Skills.....	33
9. Environment and Sustainable Development.....	39
10. Housing, Regeneration and Heritage.....	43
11. Central Services and Administration	47
Annex 1 – Reconciliation between the Welsh Block Budget and Resource Allocations in the Budget Motion	53
Annex 2 – Recurrent Allocations from Reserves.....	56
Annex 3 – Glossary	57

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1. Introduction

- 1.1** The Welsh Government today tabled the Second Supplementary Budget for 2011-12 in accordance with Standing Order 20. This Supplementary Budget amends the previous Supplementary Budget approved by the Assembly on 12 July 2011.
- 1.2** This Supplementary Budget reflects reprioritisations within portfolios and a number of budget transfers between portfolios. It also makes a number of allocations from Reserves, including allocations from the Centrally Retained Capital Fund.
- 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 website.

Budget Motion

- 1.5** Last September, we presented evidence to the Finance Committee of the National Assembly for Wales on a proposal to amend the Welsh Government's Budget Motion by moving to a single expenditure limit for the Welsh Government, rather than individual budget control totals for each Main Expenditure Group (MEG). In practice, this change would reduce our risk of breaching limits and increase our flexibility to move resources between MEGs and align funding to our priorities, especially towards the end of the financial year.
- 1.6** The Finance Committee published its report 'Consideration of a proposal to amend the Welsh Government's Annual Budget Motion' on 17 October.

As a result, it was agreed that the format of Budget motions in future would reflect the revised model, subject to the development of a protocol between the Welsh Government and the National Assembly for Wales before we laid this Supplementary Budget.

1.7 We have worked closely with the Assembly to develop a protocol on changes to the Budget motion and their impact on the in-year Budget cycle. The protocol will be presented to the Finance Committee for formal approval later this month.

1.8 In the meantime, and in line with the original agreement, we are presenting this Supplementary Budget based on the new approach. A key advantage of the change is the increased flexibility it will allow us at the end of the financial year to maximise our spend in line with our priorities and to respond to unforeseen circumstances. With reducing budgets and limitations on our ability to carry forward underspends under the new Budget Exchange System, it is more important than ever that we maximise the effective spend of public resources.

1.9 In line with our commitment to working openly and transparently around our Budget plans, we will provide a written report to the Finance Committee on final outturn, including a comparison with the spending plans set out in this Supplementary Budget and an explanation of significant variations.

Transparency and Presentation of the Budget

1.10 The Budget protocol is the first step in a programme of work to consider the transparency of budget proposals and how the Government can support the Assembly in its scrutiny.

1.11 During the scrutiny of the Welsh Government's Draft Budget 2012-13, there were a number of key themes raised around the presentation and

transparency of our Budget. We will continue to work with the Finance Committee to explore how we can improve the budget presentation and will look to address these broader issues in the context of our preparations for the Draft Budget 2013-14.

1.12 In the meantime, and as a demonstration of our continued commitment to moving this agenda forward, we are providing at Annex 2 a separate reconciliation showing the recurrent implications of allocations made from Reserves in this Supplementary Budget. Some of these allocations have already been made recurrent in the Final Budget 2012-13. Others will be managed as in-year allocations or will form part of our Budget planning work for the Draft Budget 2013-14. We are also providing greater detail about reprioritisations within MEGs, changes which are of increased importance as we continue to deliver our priorities with reducing budgets. These reflect points raised by the Finance Committee during its scrutiny of the First Supplementary Budget of 2011-12.

Table 1.1 – Allocation of the Wales DEL – Supplementary Budget

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget ¹ 2011-12	Changes	Revised Budget 2011-12
Departmental Expenditure Limits (DEL)			
Health, Social Services and Children	6,236,242	131,390	6,367,632
Local Government and Communities	5,115,327	32,547	5,147,874
Business, Enterprise, Technology and Science	280,234	19,744	299,978
Education and Skills	1,800,174	62,999	1,863,173
Environment and Sustainable Development	329,709	6,428	336,137
Housing, Regeneration and Heritage	600,910	43,985	644,895
Central Services and Administration	371,350	5,998	377,348
Total Allocated to Welsh Government Departments	14,733,946	303,091	15,037,037
Resource	178,942	-122,136	56,806
Reserves	25,942	-25,942	0
Capital Reserves	69,880	-69,880	0
Assembly Commission	48,822	-1,800	47,022
Auditor General for Wales	4,853	550	5,403
Public Services Ombudsman for Wales	3,854	0	3,854
Direct Charges to the Welsh Consolidated Fund	631	0	631
Total Expenditure within the Wales DEL Budget	15,066,870	83,883	15,150,753

¹ Budget figures as per Supplementary Budget Motion approved July 2011.

² Of the Fiscal Resource DEL Reserves figure, the Welsh Government plans to carry forward nearly £33.2m for specific purposes under the Budget Exchange System (BES). The balance, and any further unused Reserves or underspends in 2011-12, will be carried forward up to the agreed cap under the BES.

Table 1.2 – Changes to the Welsh Government Resource DEL

MAIN EXPENDITURE GROUPS (MEGs)	£000s			£000s		
	Fiscal Resource			Non-Fiscal Resource		
	Budget ³ 2011-12	Changes	Revised Budget 2011-12	Budget 2011-12	Changes	Revised Budget 2011-12
Health, Social Services and Children	5,804,139	81,870	5,886,009	170,000	0	170,000
Local Government and Communities	4,725,057	9,583	4,734,640	109,098	16,659	125,757
Business, Enterprise, Technology and Science	184,095	-6,700	177,395	1,551	2,299	3,850
Education and Skills	1,532,070	2,339	1,534,409	98,131	25,600	123,731
Environment and Sustainable Development	265,969	-5,120	260,849	3,098	-1,621	1,477
Housing, Regeneration and Heritage	280,495	-1,081	279,414	3,677	755	4,432
Central Services and Administration	324,630	-6,902	317,728	16,000	6,200	22,200
Total Allocation to Welsh Government Departments	13,116,455	73,989	13,190,444	401,555	49,892	451,447

³ Budget figures as per Supplementary Budget Motion approved July 2011.

Table 1.3 – Changes to the Welsh Government Capital DEL

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget ⁴ 2011-12	Changes	Revised Budget 2011-12
Health, Social Services and Children	262,103	49,520	311,623
Local Government and Communities	281,172	6,305	287,477
Business, Enterprise, Technology and Science	94,588	24,145	118,733
Education and Skills	169,973	35,060	205,033
Environment and Sustainable Development	60,642	13,169	73,811
Housing, Regeneration and Heritage	316,738	44,311	361,049
Central Services and Administration	30,720	6,700	37,420
Total Allocation to Welsh Government Departments	1,215,936	179,210	1,395,146

⁴ Budget figures as per Supplementary Budget Motion approved July 2011.

Table 1.4 – Wales AME Budget

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget ⁵ 2011-12	Changes	Revised Budget 2011-12
Health, Social Services and Children	184,699	95,087	279,786
Local Government and Communities	37,721	21,888	59,609
Business, Enterprise, Technology and Science	41,402	0	41,402
Education and Skills	125,302	-5,904	119,398
Environment and Sustainable Development	0	0	0
Housing, Regeneration and Heritage	-69,735	0	-69,735
Central Services and Administration	-1,100	-1,247	-2,347
Total Welsh Government AME Budget	318,289	109,824	428,113
Assembly Commission	500	0	500
Public Services Ombudsman for Wales	0	1,615	1,615
Total Welsh AME Budget	318,789	111,439	430,228

⁵ Budget figures as per Supplementary Budget Motion approved July 2011.

2. Key Allocations from Reserves⁶

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

2.2 The key allocations are summarised below:

Increased NHS Funding

2.3 In October, the Minister for Health and Social Services announced an additional £100m to Local Health Boards this year, in recognition of the financial pressures NHS organisations are facing in the current financial year. This was a combination of resources from Reserves and from the Health, Social Services and Children MEG.

2.4 In this Supplementary Budget, we are allocating £93m to the Health, Social Services and Children MEG for the NHS to support service improvements and efficiencies. £63m of this funding is allocated on a recurrent basis and forms part of the Welsh Government's proposal for placing the NHS on a sustainable financial footing going forward. £30m is allocated to Hywel Dda Health Board as part of a four year package to support the transformation of services.

Economic Stimulus Package

2.5 In November, we announced how we would use the one-off consequential of £38.9m relating to the UK Government's decision to freeze council tax in England to stimulate growth and protect jobs. We announced a package over a two-year period consisting of skills initiatives and capital infrastructure investment – including schools, housing and Enterprise

⁶ Figures in this section have been rounded to one decimal place. These allocations are reflected in the Action Tables on the Welsh Government website.

Zones. Of the £38.9m package, we are allocating £30.7m as an immediate stimulus in this Supplementary Budget:

- £0.7m to Education and Skills to extend the number of apprenticeships provided under the Young Recruits Programme. This will fund an additional 800 apprenticeships in 2011-12;
- £9.3m to Education and Skills to provide capital investment in schools pan Wales;
- £8.5m to Business, Enterprise, Technology and Science comprising:
 - £5m in respect of preparation work for the Ely Mill Housing Project. This project will create up to 200 jobs per annum, starting in the second half of this year; and
 - £3.5m to support road infrastructure associated with Enterprise Zones;
- £3m to Environment and Sustainable Development to expand the Arbed energy efficiency scheme; and
- £9.3m to Housing, Regeneration and Heritage to deliver an additional 130 affordable homes pan-Wales.

2.6 The balance of the Economic Stimulus package of £8.2m will be carried forward to 2012-13 under the Budget Exchange System and has been reflected in the Final Budget 2012-13.

Centrally Retained Capital Fund

2.7 The Supplementary Budget provides a total of £105.4m to the following projects from the Centrally Retained Capital Fund as announced in March 2011:

- **Health, Social Services and Children:** a total of £48.4m has been allocated, comprising:
 - £22.2m for the redevelopment of Morriston Hospital, Swansea;
 - £18.4m for a new build Health Park in Merthyr Tydfil co-locating primary and secondary health care services and teams on one site;

- £4m for a new build facility to integrate Health and Social Care facilities in Builth Wells; and
 - £3.8m to support the Wales Ambulance Service Hazard Area Response Team.
- **Local Government and Communities:** a total of £6.3m has been allocated, comprising:
 - £2m has been provided for the upgrade of a 2km length of the main North South Trunk road in Gwynedd;
 - £1.3m to upgrade a section of the A470 between Maes yr Helmau and Cross Foxes; and
 - £3m to enhance the railway infrastructure on the Cardiff Valleys network.
- **Business, Enterprise, Technology and Science:** a total of £20.4m has been allocated, comprising:
 - £15m for a Wales SME Investment Fund to deliver improved access to finance for SMEs in Wales;
 - £2.4m for the development and implementation of an on-line system for applications for rural and agricultural subsidy payments; and
 - £3m to support investment in tourism infrastructure in Wales.
- **Education and Skills:** a total of £22.3m has been allocated, comprising:
 - £8m to reorganise secondary education learning provision in the Dinefwr area of Carmarthenshire;
 - £7.3m to provide a new build secondary school in Bridgend; and
 - £7m to bring together 6th form provision within Merthyr Tydfil under a new build further education facility.
- **Environment and Sustainable Development:** £2m has been provided to support the Anaerobic Digestion (AD) procurement programme.

- **Housing, Regeneration and Heritage:** a total of £6m has been allocated, comprising:
 - £1m has been provided to support the transfer of the ITV Wales television archive into public ownership;
 - £1m to facilitate the restoration of the derelict Grade II Listed Old Town Hall building in Merthyr Tydfil;
 - £1m to invest in renewable and low-energy technology at CADW sites across Wales; and
 - £3m to support disabled facility adaptations to social rented housing.

3. Key Changes in the Supplementary Budget

The key changes are summarised below:

3.1 Adjustments to resource and capital baselines:

Fiscal Resource DEL

- The Fiscal Resource DEL baseline decreases by £47.6m which comprises:
 - a net transfer out of £0.9m to UK Government Departments, comprising a transfer in of £1.2m from the Department for Environment, Food and Rural Affairs (DEFRA) in respect of Animal Movements Licensing Systems and a transfer out of £2.1m to the Department for Business, Innovation and Skills (BIS) in respect of Pan Government Digital Mapping;
 - an increase of £48.5m from consequentials received from the UK Government in respect of Council Tax Freeze (£38.9m), Olympics (£8.6m) and Free Advice Services (£1m); and
 - a resource to capital switch of £97m.

Non-Fiscal Resource DEL

- The Non-Fiscal Resource DEL baseline increases by £24m, which comprises:
 - a transfer out of £1.7m to DEFRA in respect of Environment Agency Depreciation; and
 - receipt of £25.6m from a HMT Reserve claim as a result of a change to the statistical model used to calculate the non fiscal charge of the Student Loans budget.

Capital DEL

- The Capital DEL baseline increases by £109.3m, which comprises:

- an increase of £12.3m from consequentials received from the UK Government in respect of the Growth Fund (£12.1m) and the Olympics (£0.2m); and
 - a resource to capital switch of £97m.
-
- In addition, a number of Departments have made switches between their resource and capital budgets. This does not affect the Welsh Government's overall DEL position as the transfers are being managed within total resources.

3.2 Allocations to Welsh Government Departments from Reserves

Fiscal Resource DEL

- £93m to Health, Social Services and Children to support service improvements and efficiencies in NHS organisations;
- £2m to Central Services and Administration in respect of Invest to Save funding; and
- £1.2m to Business, Enterprise, Technology and Science in respect of the UK Government transfer from DEFRA for Animal Movements Licensing Systems.

Non-Fiscal Resource DEL

- £2.3m to Business, Enterprise, Technology and Science in respect of depreciation charges for ICT equipment;
- £6.2m to Central Services and Administration in respect of asset impairment charges on the Welsh Government Estate;
- £25.6m to Education and Skills in respect of Student Loans;
- £16.7m to Local Government and Communities in respect of depreciation and impairment charges on the trunk roads network; and
- £0.8m to Housing, Regeneration and Heritage in respect of impairment charges on land held for sale for affordable housing developments.

Capital DEL

- £105.4m is allocated in respect of projects supported by the Centrally Retained Capital Fund, further detail of which is provided at section 2.
- £30.7m is allocated as part of the Economic Stimulus Package, further details of which is provided at section 2.
- £17.5m to Housing, Regeneration and Heritage to fund regeneration infrastructure activities for the major Works project in Ebbw Vale.
- £1.5m to Housing, Regeneration and Heritage to support regeneration projects in the Heads of the Valleys
- £3.5m to Education and Skills comprising:
 - £0.5m to support the refurbishment and new build of secondary schools in the Dinefwr region;
 - £3m in respect of Bridgend - Gateway to the Valleys project;
- £8.9m to Housing, Regeneration and Heritage to fund housing schemes through the Social Housing Grant;
- £4.2m to Environment and Sustainable Development comprising:
 - £2m to support the Arbed energy efficiency programme; and
 - £2.2m to support Flood and Coastal Erosion Management projects.
- £1.1m to Health, Social Services and Children in respect of the Wrexham Ambulance Resource Centre.

3.3 Amounts transferred to Reserves by Welsh Government Departments

Fiscal Resource DEL

- £0.9m from Environment and Sustainable Development in respect of wind farm income generated from Forestry Commission land; and
- £2.1m from Central Services and Administration in respect of a transfer to the UK Department for BIS in relation to Pan Government Digital Mapping.

Non-Fiscal Resource DEL

- £1.7m from Environment and Sustainable Development in respect of Environment Agency Depreciation cover transferred to DEFRA.

Capital DEL

- £12.8m from Business, Enterprise, Technology and Science in respect of a loan repayment from Finance Wales.

3.4 Transfers from Reserves to Direct Funded Bodies

Fiscal Resource DEL

- £0.6m is allocated to the Wales Audit Office to meet the organisation's revised budget, as approved by the Public Accounts Committee.

3.5 Transfers to Reserves from Direct Funded Bodies

Fiscal Resource DEL

- £1.8m from the Assembly Commission in respect of an identified budget underspend.

4. Budget Exchange System

- 4.1** In March 2011, the UK Government announced that a new Budget Exchange System would replace the previous End Year Flexibility scheme for managing public spending across years. Last July, the Welsh Government announced that, following discussions between the Chief Secretary to the Treasury and the three Devolved Administrations, the UK Government had agreed to modify its proposals for the operation of the Budget Exchange System in the Devolved Administrations in recognition of the differences between a Whitehall Department and a Devolved Administration. This means that the Welsh Government will be able to carry forward underspends, up to an agreed cap, during the Spending Review period.
- 4.2** The agreed cap is 0.6% of the Resource DEL (RDEL) budget and 1.5% of the Capital DEL (CDEL) budget. For 2011-12, this means that the cap will be £79.8m for Fiscal Resource DEL and £20.9m for Capital DEL.
- 4.3** We are currently planning to carry forward to 2012-13 nearly £33.2m Fiscal Resource DEL, earmarked for the following purposes:
- £20m for the Pupil Deprivation Grant;
 - £8.2m for the Economic Stimulus package⁷;
 - £4m to boost Local Government borrowing on highways improvement projects; and
 - £1m to support provision of Free Advice Services.
- 4.4** There is currently a further £23.6m Fiscal Resource DEL available within Reserves to cover any late pressures. The revised Budget model on which we are presenting this Supplementary Budget gives us greater budget

⁷ Of the £8.2m, £1m has been allocated in the Final Budget 2012-13 to the 'Deliver Property Related Infrastructure' Action in the Business, Enterprise, Technology and Science MEG. It is the intention to transfer this funding from resource to capital in-year.

flexibility to respond to any unforeseen pressures and to carry forward to 2012-13 any unused Fiscal Resource DEL or Capital DEL Reserves or underspends up to the agreed cap under the Budget Exchange System.

5. Health, Social Services and Children

Overall Budget Changes

5.1 There has been a net increase in the Health, Social Services and Children's DEL of £131,390k, comprising an increase in resource of £81,870k and an increase in capital of £49,520k.

AME

5.2 The AME budget has increased by £95,087k to reflect the latest forecasts for provisions and impairments in the NHS and depreciation on Donated Assets.

Resource Changes

5.3 There is a transfer of £93,000k from Reserves to the 'NHS Delivery' Action to support service improvements and efficiencies in NHS organisations as announced in October 2011.

5.4 The net impact of transfers with other MEGs is a reduction of £11,130k, which comprises the following adjustments above £250k:

- Transfers of £1,821k to the 'NHS Delivery' Action as follows:
 - £257k from the 'General Administration' Action in the Central Services and Administration MEG in respect of Welsh Health Specialised Services Committee running costs; and
 - £1,564k from the 'Invest-to-Save' Action in the Central Services and Administration MEG to support a variety of Invest-to-Save projects. The transfer is net of repayments from previous Invest-to-Save projects.
- £1,834k to the 'Higher Education' Action in the Education and Skills MEG from the 'Support Education and Training of the NHS Workforce' Action to cover payments to Cardiff University to support medical and dental training;

- £11,117k to the ‘Funding Support for Local Government’ Action in the Local Government and Communities MEG from the ‘Adult and Older People’ Action in respect of:
 - £1,000k for transfer of the Older People’s Grant into the Revenue Support Grant settlement for Local Government; and
 - £10,117k for transfer of the First Steps Improvement Package into the Revenue Support Grant settlement for Local Government.

5.5 There have also been a number of transfers within the MEG, the net impact of which is neutral. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k:

NHS Delivery Action

- A net transfer out of £2,004k comprising:
 - £2,196k to the ‘Sponsorship of Public Health Bodies’ Action in respect of funding for Public Health Wales;
 - £284k to the ‘CAFCASS Cymru Programme’ Action in respect of running costs for CAFCASS Cymru; and
 - £622k in from the ‘Deliver Targeted Health Protection and Immunisation Activity’ Action in respect of immunisation allocations to the General Medical Services contract budget.

Sponsorship of Public Health Bodies Action

- A net transfer in of £3,454k comprising:
 - £2,196k from the ‘NHS Delivery’ Action in respect of funding for Public Health Wales;
 - £636k from the ‘Promote Health Improvement and Healthy Working’ Action in respect of the Stop Smoking in School trial (ASSIST), HIV Prevention and Children’s Weight and Height survey; and
 - £472k from the ‘Children’s Social Services’ Action to the ‘Sponsorship of Public Health Bodies’ Action in respect of New Born Bloodspot Screening.

Deliver Targeted Health Protection and Immunisation Activity Action

- A transfer out of £622k to the 'NHS Delivery' Action in respect of immunisation allocations to the General Medical Services contract budget.

Promote Healthy Improvement and Healthy Working Action

- A net transfer out of £427k, comprising:
 - £636k to the 'Sponsorship of Public Health Bodies' Action in respect of the Stop Smoking in School trial (ASSIST), HIV Prevention and Children's Weight and Height survey.

Children's Social Services Action

- A transfer out of £472k to the 'Sponsorship of Public Health Bodies' Action in respect of New Born Bloodspot Screening.

CAFCASS Cymru Action

- A transfer in of £284k from the 'NHS Delivery' Action for CAFCASS Cymru running costs.

Capital Changes

5.6 A total transfer of £49,520k from Reserves to the 'NHS Delivery' Action comprising:

- £48,420k of Centrally Retained Capital Funding for the following projects:
 - £4,010k for a new build facility to integrate Health and Social Care facilities in Builth Wells;
 - £18,430k for a new build Health Park in Merthyr Tydfil co-locating primary and secondary health care services and teams on site;
 - £22,230k for the redevelopment of Morriston Hospital, Swansea; and
 - £3,750k to support the Wales Ambulance Service Hazard Area Response Team.
- £1,100k in respect of Wrexham Ambulance Resource Centre.

Table 5.1 – Health, Social Services and Children SPA Allocations

DEL	£000s					
	2011-12 Resource			2011-12 Capital		
	Budget ⁸	Changes	Revised Budget	Budget	Changes	Revised Budget
NHS Delivery	5,407,503	92,817	5,500,320	247,573	49,520	297,093
Health Central Budgets	212,185	-1,834	210,351	0	0	0
Public Health and Prevention	155,592	2,046	157,638	5,418	0	5,418
Social Services	188,721	-11,443	177,278	9,112	0	9,112
CAFCASS Cymru	10,138	284	10,422	0	0	0
Total DEL	5,974,139	81,870	6,056,009	262,103	49,520	311,623
AME						
NHS Impairments	184,699	95,087	279,786	0	0	0
Total Managed Expenditure (TME)	6,158,838	176,957	6,335,795	262,103	49,520	311,623

⁸ Budget figures as per Supplementary Budget Motion approved July 2011.

6. Local Government and Communities

Overall Budget Changes

6.1 There has been a net increase in the Local Government and Communities DEL of £32,547k comprising an increase in resource of £26,242k and an increase in capital of £6,305k.

AME

6.2 The AME budget has increased by £21,888k to reflect latest forecasts in respect of Fire and Rescue Authority Pension (£799k) and re-profiling of completion of road schemes (£21,089k).

Resource Changes

- 6.3** There has been a total transfer from Reserves of £16,659k in respect of impairments and depreciation, comprising:
- £5,327k into the 'Improve and Maintain Trunk Road Network (Domestic Routes) – Non Cash' Action; and
 - £11,332k into the 'Improve International Connectivity – Non-Cash' Action.
- 6.4** The net impact of transfers with other MEGs is an increase of £9,583k, which comprises the following adjustments above £250k:
- A transfer in of £11,117k to the 'Funding Support for Local Government' Action from the 'Adult and Older People' Action' in the Health, Social Services and Children MEG comprising:
 - £10,117k into the Revenue Support Grant to fund the introduction of the First Steps Improvement package; and
 - £1,000k into the Revenue Support Grant to fund the Strategy for Older People.
 - A net transfer out of £1,599k from the 'Communities First' Action including a transfer out of £1,500k to the 'Community Cohesion' Action

in the Central Services and Administration MEG for mainstreaming equality and diversity.

6.5 There have also been a number of transfers within the MEG, the net effect of which is neutral. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k which represent changes in forecasts and reallocation of funds on a MEG wide basis, for the reasons explained.

Funding Support for Local Government Action

- A total transfer out of £4,000k from the Police Funding budget as a result of Home Office decisions on Police Grant.

Communities First Action

- A transfer out of £1,200k due to underspends in the final year of the current Communities First programme.

Financial Inclusion Action

- A transfer out of £2,750k, mostly towards Council Tax Benefit Schemes.

Third Sector Action

- A total transfer out of £250k, with no adjustments above £250k.

Fire and Rescue Services Resilience Action

- A transfer out of £495k due to reduced demand.

Local Government Financial Accountability Action

- A transfer in of £1,600k to provide a contribution for the Fforestfach fire incident.

Council Tax Benefit Schemes Action

- A total transfer in of £5,000k to help fund Council Tax benefit schemes for Pensioners and to improve the take-up of benefits.

Care and Social Services Inspectorate Action

- A transfer out of £2,900k arising from running cost and other savings.

Estyn Action

- A total transfer out of £3,000k as a result of reduced administration and staff costs.

Efficiency and Innovation Action

- A transfer out of £2,005k resulting from changes to the programme.

Improve and Maintain Trunk Road Network (Domestic Routes) Action

- A transfer in of £6,098k for local road and trunk road improvements.

Improve Public Transport (Rail) Action

- A total transfer out of £7,435k due to increased funding from Europe and lower Rail Franchise costs.

Improve International Connectivity Action

- A transfer in of £3,723k for enhancements to the Trunk Road network.

Develop Sustainable Travel Action

- A transfer in of £3,415k for the Bus Service Operators Grant.

Improve Road Safety and Transport's Impact on the Environment Action

- A transfer in of £4,199k for increased funding to the Partnership Funding and Road Safety Grant.

Capital Changes

6.6 There has been a total transfer from Reserves of £6,305k comprising:

- £3,345k of Centrally Retained Capital Funding into the 'Improve and Maintain Trunk Road Network (Domestic Routes)' Action for two road schemes on the A470; and
- £2,960k of Centrally Retained Capital Funding into the 'Improve Public Transport (Rail)' Action to enhance railway infrastructure on the Cardiff Valleys Network.

6.7 There have also been a number of transfers within the MEG, the net effect of which is neutral. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k:

Community Development Action

- A transfer out of £2,300k due to a change in grant rules and the re-profiling of expenditure.

Domestic Abuse Action

- A transfer in of £1,300k to fund additional One-Stop Shops across Wales.

Improve and Maintain Trunk Road Network (Domestic Routes) Action

- A transfer in of £13,603k for additional schemes approved and re-profiling of other schemes.

Improve Public Transport (Rail) Action

- A transfer out of £17,031k due to re-profiling of rail projects.

Improve International Connectivity Action

- A transfer out of £10,876k due to re-profiling of construction costs and re-allocation to domestic routes.

Develop Sustainable Travel Action

- A transfer in of £6,128k for increased capital contribution to concessionary fares, walking and cycling schemes and Regional Consortia.

Improve and Maintain Local Roads Infrastructure Action

- A transfer in of £10,011k to enhance the Transport Grant for local improvement schemes.

Improve Road Safety and Transport's Impact on the Environment Action

- A transfer out of £835k to fund the Road Safety Grant improvements.

Table 6.1 – Local Government and Communities SPA Allocations

DEL	£000s					
	2011-12 Resource			2011-12 Capital		
	Budget ⁹	Changes	Revised Budget	Budget	Changes	Revised Budget
Local Government Funding	4,209,918	7,117	4,217,035	20,000	0	20,000
Supporting Communities and People	58,662	-5,799	52,863	17,280	-2,300	14,980
Safer Communities	43,841	-495	43,346	9,156	1,300	10,456
Local Government Policy	37,552	-65	37,487	0	0	0
Local Taxation Policy	10,744	6,600	17,344	0	0	0
Care and Social Services Inspectorate	15,757	-2,900	12,857	0	0	0
Healthcare Inspectorate Wales	2,824	0	2,824	0	0	0
Estyn	13,437	-3,000	10,437	339	0	339
Inspection, Regulation and Performance Frameworks	400	0	400	0	0	0
Local and Regional Collaboration	1,560	0	1,560	0	0	0
Efficiency and Innovation	3,197	-2,005	1,192	0	0	0
Improve Domestic Connectivity (Regional and National)	234,063	3,990	238,053	83,674	2,877	86,551
Improve International Connectivity	114,487	15,055	129,542	59,088	-10,876	48,212
Improve Integrated Transport (Local)	84,657	3,545	88,202	80,713	16,139	96,852
Improve Road Safety and Transport's Impact on the Environment	3,056	4,199	7,255	10,922	-835	10,087
Total DEL	4,834,155	26,242	4,860,397	281,172	6,305	287,477
AME						
Local Government Funding	13,583	799	14,382	0	0	0
Improve Domestic Connectivity (Regional and National)	24,138	21,089	45,227	0	0	0
Total Managed Expenditure (TME)	4,871,876	48,130	4,920,006	281,172	6,305	287,477

⁹ Budget figures as per Supplementary Budget Motion approved July 2011.

7. Business, Enterprise, Technology and Science

Overall Budget Changes

7.1 There has been a net increase in the Business, Enterprise, Technology and Science DEL of £19,744k, comprising a decrease in resource of £4,401k and an increase in capital of £24,145k.

AME

7.2 There are no changes to the AME allocation.

Resource Changes

7.3 There have been total transfers of £2,299k from Reserves, in respect of additional depreciation charges, following an internal review of non-cash requirements within the BETS portfolio, comprising:

- £504k into the 'Delivery Property Related Infrastructure' Action;
- £347k into the 'Corporate Programmes' Action;
- £1,425k into the 'Manage Delivery of Structural Fund Programmes in Wales' Action; and
- £23k into the 'Developing, managing and enforcing Welsh Fisheries and Aquaculture' Action.

7.4 There has been a transfer of £1,200k from the Department for Environment, Food and Rural Affairs (DEFRA) into the 'Meeting the Needs of Rural Communities and Rural Proofing WG Actions' Action for supplementary funding to local authorities to deliver animal health and welfare enforcement priorities and maintain the Animal Movements Licensing System (AMLS).

7.5 The net impact of transfers with other MEGs is an increase of £100k, comprising:

- £4,000k in to the 'Deliver ICT Infrastructure' Action from the 'Invest to Save' Action in the Central Services and Administration MEG in respect of Round IV funding for Public Sector Broadband projects; and
- £3,900k out of the 'Deliver ICT Infrastructure' Action to the 'Invest to Save' Action in the Central Services and Administration MEG in respect of early repayments of previous rounds of Invest to Save funding.

7.6 There are also a number of transfers within the MEG, the net impact of which is a reduction of £8,000k due to a resource to capital switch. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k.

Sectors Action

- A transfer out of £8,000k to support new business funds for growth and jobs, comprising:
 - £3,000k to the 'Sectors' Action (Capital) to support the Economic Growth Fund; and
 - £5,000k to the 'Finance Wales' Action (Capital) to support the Wales SME Investment Fund.

Capital Changes

- 7.7** There has been a net transfer from Reserves of £16,145k, comprising:
- A net transfer of £2,245k into the 'Finance Wales' Action, including:
 - £15,000k of Centrally Retained Capital for the **Wales SME Investment Fund** – This is a new fund to deliver improved access to finance for Small to Medium Enterprises in Wales; and
 - £12,755k to Reserves in respect of in year loan repayments on borrowings made by Finance Wales plc.
 - £8,500k into the 'Deliver Property Related Infrastructure' Action for Economic Stimulus, comprising:
 - £5,000k for the **Ely Mill Housing Project** – Funding for preparation work in respect of the development of a mix of affordable and market

housing over the next four to five years. A further £1,000k will be allocated in 2012-13; and

- £3,500k for **Enterprise Zones** – Funding for road enhancements.

The investment will create and safeguard jobs in the private sector.

- £2,400k of Centrally Retained Capital into the ‘Delivering the Programmes within the Rural Development Plan’ Action for **Rural On Line Payments** – To provide on line services for rural payments in Wales.
- £3,000k of Centrally Retained Capital into the ‘Developing the Visitor Experience’ Action for the **Tourism Investment Support Scheme (TISS)** – TISS is a targeted investment scheme focussed on the tourism industry, with the objectives of improving performance within the tourism economy of Wales and achieving value for money interventions.

7.8 There are also a number of transfers within the MEG, the net impact of which is an increase of £8,000k due to a resource to capital switch. The action tables show the net transfer of these on each Action. Below is a breakdown of specific transfers above £250k.

Sectors Action

- £3,000k from the ‘Sectors’ Action (Resource) to support the Wales Economic Growth Fund.

Finance Wales

- £5,000k from the ‘Sectors’ Action (Resource) to support the Wales SME Investment Fund.

Table 7.1 – Business, Enterprise, Technology and Science SPA Allocations

DEL	£000s					
	2011-12 Resource			2011-12 Capital		
	Budget ¹⁰	Changes	Revised Budget	Budget	Changes	Revised Budget
Sectors and Business	48,871	-8,000	40,871	69,129	3,000	72,129
Encouraging Innovation	3,162	0	3,162	433	0	433
Regional Funding	2,005	0	2,005	995	0	995
Finance Wales	5,102	0	5,102	1,500	7,245	8,745
Major Event	3,930	0	3,930	0	0	0
Marketing	2,840	0	2,840	0	0	0
Infrastructure	21,470	604	22,074	6,291	8,500	14,791
Strategy and Corporate Programmes	4,677	347	5,024	449	0	449
WEFO	1,522	1,425	2,947	0	0	0
Rural Affairs	79,320	1,223	80,543	13,001	2,400	15,401
Tourism	12,747	0	12,747	2,790	3,000	5,790
Total DEL	185,646	-4,401	181,245	94,588	24,145	118,733
AME						
Infrastructure	41,402	0	41,402	0	0	0
Total Managed Expenditure (TME)	227,048	-4,401	222,647	94,588	24,145	118,733

¹⁰ Budget figures as per Supplementary Budget Motion approved July 2011.

8. Education and Skills

Overall Budget Changes

8.1 There has been a net increase in the Education and Skills DEL of £62,999k, comprising an increase in resource of £27,939k and an increase in capital of £35,060k.

AME

8.2 There has been a net decrease in the AME budget of £5,904k, representing an increase in resource budget of £2,004k and a decrease in capital of £7,908k. This is in line with revised forecasts from the Student Loans Company (SLC).

Resource Changes

8.3 There has been a total transfer from Reserves of £26,250k comprising:

- £650k into the 'Business and Skills' Action for the Young Recruits Programme (YRP) as part of the Economic Stimulus package; and
- £25,600k into the 'Student Finance and Funding' Action for the non-cash charge on student loans.

8.4 The net impact of transfers with other MEGs is an increase of £1,689k which comprises the following adjustment over £250k:

- £1,834k into the 'Higher Education' Action from the 'Support Education and Training of the NHS Workforce' Action in the Health, Social Services and Children MEG to cover payments to Cardiff University to support medical and dental training.

8.5 There have also been a number of transfers within the MEG, the net impact of which is neutral. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k to fund demand led budgets within the 'School Leadership and Effectiveness'

Action (£3,800k), 'Support for Learners' Action (£4,313k) and 'Student Finance and Funding' Action (£3,200k) which have been enabled as a result of efficiency savings:

Children and Young People's Strategy Action

- £1,443k to the 'Support Learners' Action.

Curriculum and Assessment Action

- £1,950k to the 'Support for Learners' Action.

Qualifications and Learning Action

- £470k to the 'Support for Learners' Action; and
- £1,300k to the 'School Leadership and Effectiveness' Action.

Learning Improvement and Professional Development Action

- £2,500k to the 'School Leadership and Effectiveness' Action.

Welsh Language Development Action

- £450k to the 'Support for Learners' Action.

Business and Skills Action

- £1,295k to the 'Student Finance and Funding' Action.

Lifelong Learning and Providers Action

- £520k to the 'Student Finance and Funding' Action.

Knowledge Management Action

- £500k to the 'Student Finance and Funding' Action.

Strategic Projects Action

- £825k to the 'Student Finance and Funding' Action.

8.6 Below is a breakdown of specific transfers above £250k as a result of internal re-prioritisation and structural changes within the MEG:

Children and Young People's Strategy Action

- £2,259k to the 'Basic Skills' Action for Bookstart and Family Learning Programmes; and
- £400k from the 'Welsh Language Development' Action to fund the Welsh medium element of Annual Network Development plans.

School Leadership and Effectiveness Action

- £7,000k from the 'Basic Skills' Action for the literacy and numeracy element of the School Effectiveness Grant (SEG); and
- £382k to the 'Learning, Improvement and Professional Development' Action to fund academic support to take forward the development of Professional Learning Communities (PLCs) in Wales.

Curriculum and Assessment Action

- £262k from the 'Qualifications and Learning' Action for external subject experts.

Qualifications and Learning Action

- £262k to the 'Curriculum and Assessment' Action for external subject experts; and
- £4,700k to 'Lifelong Learning and Providers' Action for Work Based Learning Welsh Baccalaureate delivery.

Learning Improvement and Professional Development Action

- £382k from the 'School Leadership and Effectiveness' Action to fund academic support to take forward the development of Professional Learning Communities (PLCs) in Wales.

Welsh Language Development Action

- £400k to the 'Children and Young People's Strategy' Action to fund the Welsh medium element of Annual Network Development plans.

Basic Skills Action

- £7,000k to the 'School Leadership and Effectiveness' Action for the literacy and numeracy element of the School Effectiveness Grant (SEG);
- £1,100k to the 'Business and Skills' Action for post-16 literacy and numeracy; and
- £2,259k from the 'Children and Young People's Strategy' Action for Bookstart and Family Learning Programmes.

Business and Skills Action

- £539k from the 'Student Finance' Action for Want to Work, Job Centre Plus and the Technical Assistance Programme;
- £6,180k from the 'Lifelong Learning and Providers' Action to support ReAct and the Young Recruits Programme; and
- £1,100k from the 'Basic Skills' Action for post-16 literacy and numeracy.

Higher Education Action

- £4,100k to the 'Student Finance and Funding' Action to fund the extension of the Assembly Learning Grant.

Lifelong Learning and Providers Action

- £6,180k to the 'Business and Skills' Action to support ReAct and the Young Recruits Programme; and
- £4,700k from the 'Qualifications and Learning' Action for Welsh Baccalaureate delivery.

Student Finance and Funding Action

- £4,100k from the 'Higher Education' Action to fund the extension of the Assembly Learning Grant; and
- £539k to the 'Business and Skills' Action for Want to Work, Job Centre Plus and the Technical Assistance Programme.

Capital Changes

8.7 A total transfer from Reserves of £35,060k into the 'Capital Funding' Action comprising:

- £9,260k as part of the Economic Stimulus package to provide capital investment in schools across Wales;
- £22,300k of Centrally Retained Capital Funding for the following education projects:
 - £7,300k to provide a new build secondary school in Bridgend;
 - £8,000k for the refurbishment and new build of secondary schools in the Dinefwr region; and
 - £7,000k to bring together 6th form provision within Merthyr Tydfil under a new build further education facility.
- £3,000k for the Bridgend - Gateways to the Valleys project; and
- £500k for the refurbishment and new build of secondary schools in the Dinefwr region.

Table 8.1 – Education and Skills SPA Allocations

DEL	£000s					
	2011-12 Resource			2011-12 Capital		
	Budget ¹¹	Changes	Revised Budget	Budget	Changes	Revised Budget
Children, Young People and School Effectiveness	122,697	11,254	133,951	0	0	0
Qualification, Curriculum and Learning Improvement	158,194	-17,448	140,746	0	0	0
Skills, Higher Education and Lifelong Learning	1,010,644	3,249	1,013,893	0	0	0
Business Improvement and Resource Investment	338,666	30,884	369,550	169,973	35,060	205,033
Total DEL	1,630,201	27,939	1,658,140	169,973	35,060	205,033
AME						
Business Improvement and Resource Investment	-115,649	2,004	-113,645	240,951	-7,908	233,043
Total Managed Expenditure (TME)	1,514,552	29,943	1,544,495	410,924	27,152	438,076

¹¹ Budget figures as per Supplementary Budget Motion approved July 2011.

9. Environment and Sustainable Development

Overall Budget Changes

9.1 There has been a net increase in the Environment and Sustainable Development DEL of £6,428k, comprising a decrease in resource of £6,741k and an increase in capital of £13,169k.

AME

9.2 There are no changes to the AME allocation.

Resource Changes

- 9.3** There has been a net transfer out to Reserves of £871k comprising:
- £900k out from the 'Implementing a new Woodland Strategy through Forestry Commission Wales' Action due to an increase in windfarm receipts; and
 - £29k in to the 'Developing an appropriate evidence base to support the work of the Department' Action for increased farm valuation.
- 9.4** A transfer out of £1,650k from the 'Sponsor and Manage Delivery Bodies' Action to the Department for Environment, Food and Rural Affairs (DEFRA) for depreciation in respect of the Environment Agency as part of the Clear Line of Sight arrangements.
- 9.5** The net impact of transfers with other MEGs is a reduction of £220k. This does not comprise any adjustments above £250k.
- 9.6** There have also been a number of transfers within the MEG, the net impact of which is a reduction of £4,000k due to a resource to capital switch. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k.

Deliver Nature Conservation and Marine Policies Action

- A net transfer in of £875k, comprising:
 - £1,000k from the 'Protecting and Improving Animal Health and Welfare' Action to deliver nature conservation and marine policies for the Wild Birds directive.

Protecting and Improving Animal Health and Welfare Action

- A transfer out of £5,000k, comprising:
 - £1,000k to the 'Deliver Nature Conservation and Marine Policies' Action to deliver nature conservation and marine policies for the Wild Birds directive;
 - £2,000k to the 'Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation' (Capital) Action for a resource to capital switch; and
 - £2,000k to the 'Sponsor and Manage Delivery Bodies' Action for a resource to capital switch.

Capital Changes

9.7 There has been a total transfer from Reserves of £9,169k, comprising:

- £5,000k to the 'Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation' Action for the Arbed energy efficiency scheme;
- £2,000k to the 'Manage and Implement the Waste Strategy and Waste Procurement' Action to provide support to regional procurement hubs formed of local authorities working towards securing municipal food waste treatment capacity through anaerobic digestion; and
- £2,169k to support Flood and Coastal Erosion Management projects.

9.8 There have also been a number of transfers within the MEG, the net impact of which is an increase of £4,000k due to a resource to capital switch. The action tables show the net impact of these on each Action.

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

- £2,000k from the 'Protecting and Improving Animal Health and Welfare' Action for a resource to capital switch.

Sponsor and Manage Delivery Bodies Action

- £2,000k from the Protecting and Improving Animal Health and Welfare' Action for a resource to capital Switch.

Table 9.1 – Environment and Sustainable Development SPA Allocations

DEL	£000s					
	2011-12 Resource			2011-12 Capital		
	Budget ¹²	Changes	Revised Budget	Budget	Changes	Revised Budget
Climate Change and Sustainability	117,485	-90	117,395	56,209	11,169	67,378
Environment	80,768	-780	79,988	4,600	2,000	6,600
Planning	7,772	0	7,772	0	0	0
Protecting and Improving Animal Health and Welfare	41,038	-5,000	36,038	0	0	0
Evidence Base	404	29	433	38	0	38
Common Agriculture Policy and the Countryside	21,600	-900	20,700	-205	0	-205
Total DEL	269,067	-6,741	262,326	60,642	13,169	73,811
Total Managed Expenditure (TME)	269,067	-6,741	262,326	60,642	13,169	73,811

¹² Budget figures as per Supplementary Budget Motion approved July 2011.

10. Housing, Regeneration and Heritage

Overall Budget Changes

10.1 There has been a net increase in the Housing, Regeneration and Heritage DEL of £43,985k, comprising a decrease in resource of £326k and an increase in capital of £44,311k.

AME

10.2 There are no changes to the AME allocation.

Resource Changes

10.3 There has been a transfer from Reserves of £755k to the 'Increase the Supply and Choice of Housing' Action for the impairment in the value of land held for affordable housing developments.

10.4 The net impact of transfers with other MEGs is an increase of £99k. This does not comprise any adjustments above £250k.

10.5 There have also been a number of transfers within the MEG, the net impact of which is a reduction of £1,180k due to a resource to capital switch. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k.

Enable People to Live Independent Lives Action

- A transfer out of £625k to the 'Increase the Supply and Choice of Housing' Action due to a resource to capital switch.

Foster Usage and Lifelong Learning through Library Services Action

- A transfer out of £300k to the 'Strategic Leadership for Museum, Archive and Library Services' Action for CyMAL.

Strategic Leadership for Museum, Archive and Library Services Action

- A net transfer in of £250k, comprising a transfer in of £300k from the 'Foster Usage and Lifelong Learning through Library Services' Action for CyMAL and a transfer out below £250k.

Delivery of Effective Sports and Physical Activity Programmes Action

- A net transfer out of £315k. This does not comprise any adjustments above £250k.

Capital Changes

10.6 There has been a total transfer from Reserves of £43,131k comprising:

- £1,500k of Centrally Retained Capital Funding into the 'Enable People to Live Independent Lives' Action for additions to the Disabled Facilities Grant;
- £19,620k into the 'Increase the Supply and Choice of Housing' Action as follows:
 - £1,500k of Centrally Retained Capital Funding for additions to the Physical Adaptation Grant; and
 - £18,120k to increase the supply and choice of housing.
- £20,041k into the 'Implementation of Strategic Regeneration Areas' Action as follows:
 - £17,543k to fund regeneration infrastructure activities for the major Works project in Ebbw Vale;
 - £1,000k of Centrally Retained Capital Funding for the redevelopment of Merthyr Tydfil Old Town Hall; and
 - £1,498k to support regeneration projects in the Heads of the Valleys.
- £970k of Centrally Retained Capital Funding into the 'Foster Usage and Lifelong Learning through Library Services' Action for the transfer of ITV Archives to the National Library of Wales; and
- £1,000k of Centrally Retained Capital Funding into the 'Conserve, Protect, Sustain and Promote Access to the Historic Environment' Action for work to increase the sustainability of Cadw sites.

10.7 There have also been a number of transfers within the MEG, the net impact of which is an increase of £1,180k due to a resource to capital switch. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k.

Increase the Supply and Choice of Housing Action

- A net transfer in of £2,940k, comprising:
 - £625k from the 'Enable People to Live Independent Lives' Action due to a resource to capital switch; and
 - £1,980k from the 'Foster Usage and Lifelong Learning through Museum Services' Action to deliver additional housing units.

Foster Usage and Lifelong Learning through Museum Services Action

- A transfer out of £1,980k into the 'Increase the Supply and Choice of Housing' Action to deliver additional housing units.

Table 10.1 – Housing, Regeneration and Heritage SPA Allocations

DEL	£000s				£000s			
	2011-12 Resource		2011-12 Capital		2011-12 Resource		2011-12 Capital	
	Budget ¹³	Changes	Revised Budget	Budget	Changes	Revised Budget	Budget	Changes
Housing	154,765	-155	154,610	249,392	24,060	273,452	249,392	24,060
Regeneration	14,489	99	14,588	55,343	20,041	75,384	55,343	20,041
Support and sustain a strong arts sector via the Arts Council and others	35,547	-96	35,451	460	40	500	460	40
Museums, Archives and Libraries	38,191	40	38,231	5,673	-1,010	4,663	5,673	-1,010
Delivery of effective sports and physical activity programmes	25,437	-315	25,122	345	180	525	345	180
Media and Publishing	4,031	31	4,062	25	0	25	25	0
Conserve, protect, sustain and promote access to the historic environment	11,712	70	11,782	5,500	1,000	6,500	5,500	1,000
Total DEL	284,172	-326	283,846	316,738	44,311	361,049	316,738	44,311
AME								
Museums, Archives and Libraries	2,265	0	2,265	0	0	0	0	0
Housing	-72,000	0	-72,000	0	0	0	0	0
Total Managed Expenditure (TME)	214,437	-326	214,111	316,738	44,311	361,049	316,738	44,311

¹³ Budget figures as per Supplementary Budget Motion approved July 2011.

11. Central Services and Administration

Overall Budget Changes

11.1 There has been a net increase in the Central Services and Administration DEL of £5,998k, comprising a decrease in resource of £702k and an increase in capital of £6,700k.

AME

11.2 The AME budget has decreased by £1,247k to reflect revised AME forecasts submitted to HM Treasury. This early retirement provision budget needs to be adjusted to account for the costs of staff who took early retirement during 2010-11 but who have costs which fall in 2011-12. This provision is a credit which offsets the early retirement payments we will make in 2011-12.

Resource Changes

11.3 There has been a total transfer from Reserves of £8,200k comprising:

- £2,000k to the 'Invest-to-Save' Action for Invest-to-Save projects; and;
- £6,200k non-fiscal resource to the 'Capital Charges' Action for depreciation and impairments due to increased capital investment in the administrative asset base including buildings and office IT systems.

11.4 A transfer of £2,081k out of the 'Geographical Information' Action to the Department for Business, Innovation and Skills for Pan Government Digital Mapping.

11.5 The net impact of transfers with other MEGs is a reduction of £121k, which comprises the following adjustments above £250k:

- £257k out of the 'General Administration' Action to the 'NHS Delivery' Action in the Health, Social Services and Children MEG in respect of Welsh Health Specialised Services Committee running costs; and
- A transfer out of £1,664k from the 'Invest-to-Save' Action comprising:

- £1,564k to the 'NHS Delivery' Action in the Health, Social Services and Children MEG for Invest-to-Save projects. The transfer is net of repayments from previous Invest-to-Save projects; and
- A net transfer out of £100k to the 'Deliver ICT Infrastructure' Action in the Business, Enterprise, Technology and Science MEG as follows:
 - o £3,900k in for early re-payment of Invest-to-Save monies; and
 - o £4,000k out for Public Sector Broadband projects.
- £1,500k into the 'Community Cohesion' Action from the 'Communities First' Action in the Local Government and Communities MEG for mainstreaming equality and diversity.

11.6 There have also been a number of transfers within the MEG, the net impact of which is a decrease of £6,700k due to a resource to capital switch. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k.

Staff Costs Action

- A net transfer out of £22,275k comprising:
 - £25,000k to the 'General Administration' Action for workforce planning;
 - £2,175k in from the 'General Administration' Action to increase the size of the central resource pool; support the Science Strategy and contribute towards workforce planning; and
 - £450k in from the 'Central Research' Action to contribute towards workforce planning.

General Administration Action

- A net transfer in of £19,557k comprising:
 - £25,000k in from the 'Staff Costs' Action for workforce planning;
 - £2,000k in from the 'Enabling Government' Action for workforce planning;
 - £500k in from the 'IT Costs' Action for workforce planning;

- £1,400k out to the 'Geographic Information' Action to help fund the Welsh Government's contribution towards the Public Sector Mapping Agreement;
- £2,175k out to the 'Staff Costs' Action as we have been able to identify where we can either make savings or reduce costs;
- £2,578k in from the 'Location Strategy' Action for the running costs of new offices; and
- £6,700k out to the 'Capital' Action for a resource to capital switch.

Location Strategy Action

- A transfer out of £3,664k comprising:
 - £2,578k to the 'General Administration' Action for running costs of new offices; and
 - £1,086k to the 'Enabling Government' Action to reflect the merging of programmes.

IT Costs (Resource) Action

- A net transfer out of £254k, comprising £500k out to the 'General Administration' Action for workforce planning and a transfer in below £250k.

Enabling Government Action

- A net transfer out of £914k comprising:
 - £1,086k in from the 'Location Strategy' Action to reflect the merging of programmes; and
 - £2,000k out to the 'General Administration' Action for workforce planning.

Geographical Information Action

- A net transfer in of £1,300k comprising £1,400k in from the 'General Administration' Action for the Welsh Government's contribution towards the Public Sector Mapping Agreement.

Central Research Action

- A transfer out of £450k to the 'Staff Costs' Action as a result of cost reductions or savings from research budgets.

Capital Changes

11.7 There have also been a number of transfers within the MEG, the net impact of which is an increase of £6,700k due to a resource to capital switch. The action tables show the net impact of these on each Action.

Capital Action

- A net transfer in of £4,975k comprising:
 - £6,700k in from the 'General Administration' Action for a resource to capital switch;
 - £2,750k out to the 'IT Costs Capital' Action for IT projects including the upgrading of office IT software; and
 - £1,025k in from the 'Enabling Government' Action for accommodation projects.

Enabling Government Action

- A net transfer in of £1,475k comprising:
 - £3,000k in from the 'Location Strategy' Action following the merger of programmes;
 - £1,025k out to the 'Capital' Action for accommodation projects; and
 - £500k out to the 'Invest-to-Save' Action to provide funding for the Gwent Frailty project.

Location Strategy Action

- A transfer out of £3,000k to the 'Enabling Government' Action following the merger of programmes.

IT Costs Capital Action

- A transfer in of £2,570k from the 'Capital Action for IT projects including the upgrading of office IT software.

Invest-to-Save Action

- A transfer in of £500k from the 'Enabling Government' Action to provide funding for the Gwent Frailty project.

Table 11.1 – Central Services and Administration SPA Allocations

DEL	£000s					
	2011-12 Resource			2011-12 Capital		
	Budget ¹⁴	Changes	Revised Budget	Budget	Changes	Revised Budget
Delegated Running Costs	214,326	-22,275	192,051	0	0	0
Central Running Costs	91,176	20,668	111,844	11,982	6,200	18,182
Information and Support Services	20,324	-685	19,639	0	500	500
Central Programmes	14,804	1,590	16,394	18,738	0	18,738
Total DEL	340,630	-702	339,928	30,720	6,700	37,420
AME						
Central Running Costs	-1,100	-1,247	-2,347	0	0	0
Total Managed Expenditure (TME)	339,530	-1,949	337,581	30,720	6,700	37,420

¹⁴ Budget figures as per Supplementary Budget Motion approved July 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 2011-12 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
	2011-12
Resource	6,056,009
Capital	311,623
AME	
Resource	279,786
Capital	-
Total Managed Expenditure	6,647,418
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS bodies	-407,786
Supported Borrowing	-4,570
National Insurance Fund Receipts (and collection costs)	-879,230
Resources requested	5,355,832

Local Government and Communities

DEL	£000s
	2011-12
Resource	4,860,397
Capital	287,477
AME	
Resource	59,609
Capital	-
Total Managed Expenditure	5,207,483
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS bodies	-400
Supported Borrowing	-13,152
National Non Domestic Rates payable (and collection costs)	-975,172
PFI	-7,200
Resources requested	4,211,559

Business, Enterprise, Technology and Science

DEL	£000s
	2011-12
Resource	181,245
Capital	118,733
AME	
Resource	41,402
Capital	-
Total Managed Expenditure	341,380
Reconciliation to Resources	
Direct Charges on the Welsh Consolidated Fund	-1,704
Finance Wales	12,755
Resources requested	352,431

Education and Skills

DEL	£000s
	2011-12
Resource	1,658,140
Capital	205,033
AME	
Resource	-113,645
Capital	233,043
Total Managed Expenditure	1,982,575
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS Bodies	-213
Supported Borrowing	-42,660
Resources requested	1,939,698

Environment and Sustainable Development

DEL	£000s
	2011-12
Resource	262,326
Capital	73,811
AME	
Resource	-
Capital	-
Total Managed Expenditure	336,137
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS Bodies	-1,440
Supported Borrowing	-11,441
Resources requested	323,256

Housing, Regeneration and Heritage

DEL	£000s
	2011-12
Resource	283,846
Capital	361,049
AME	
Resource	-69,735
Capital	-
Total Managed Expenditure	575,160
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS Bodies	-5,533
Supported Borrowing	-48,388
Resources requested	521,239

Central Services and Administration

DEL	£000s
	2011-12
Resource	339,928
Capital	37,420
AME	
Resource	-2,347
Capital	-
Total Managed Expenditure	375,001
Reconciliation to Resources	
Direct Charges on the Welsh Consolidated Fund	-8,903
Resources requested	366,098

Annex 2 – Recurrent Allocations from Reserves

MEG	Action	Resource/ Capital	Description	£000s				
				2011-12	2012-13	2013-14	2014-15	
Health, Social Services and Children	NHS Delivery	Resource	To support service improvements and efficiencies in NHS organisations ¹⁵	93,000	63,000	63,000	63,000	
Local Government and Communities	Improve and Maintain Trunk Road Network (Domestic Routes)	Capital	CRC Project – A470 Maes yr Helmau to Cross Foxes Improvement	1,300	1,900	1,900	0	
	Deliver Property Related Infrastructure	Resource	CRC Project – A470 Gelligemlyn	2,000	2,000	2,000	0	
Business, Enterprise, Technology and Science	Meeting the Needs of Rural Communities and Rural Proofing WAG Actions	Resource	Economic Stimulus Package – Ely Mill Housing Project	5,000	1,000	0	0	
	Delivering the programmes within the Rural Development Plan	Resource	From DEFRA (UK Gov) – Animal Movement Licensing System	1,200	1,000	800	600	
	Business and Skills	Capital	CRC Project – Rural Online Payments	2,400	2,900	2,700	0	
Education and Skills	Business and Skills	Resource	Economic Stimulus Package – Young Recruits Programme	650	4,230	0	0	
Housing, Regeneration and Heritage	Implementation of Strategic Regeneration Areas	Capital	CRC Project – Merthyr Tydfil Old Town Hall	1,000	1,500	1,500	0	
Central Services and Administration	Geographic Information	Resource	To Business Innovation and Skills (UK Gov): Pan Government Digital Mapping	-2,081	-1,926	-1,786	-1,662	

¹⁵ The recurrent element of this allocation has been reflected in the Final Budget 2012-13

Annex 3 – Glossary

Action	<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>www.wales.gov.uk/budget</p>
Ambits	<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>
Annually Managed Expenditure (AME)	<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>
Budget Exchange System	<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>
Budget Motion	<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>
Capital	<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>
Departmental Expenditure Limit (DEL)	<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>
Depreciation	<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>

Direct Charges on the Welsh Consolidated Fund	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore does not score against the budgets of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
Fiscal Resource DEL (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.
Main Expenditure Group (MEG)	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.
Non-Fiscal Resource DEL (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.
Receipts	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.
Resource budgeting	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budget includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.
Resource (previously known as revenue)	Current expenditure, for example, funding for the pay of public sector workers and to purchase consumable goods and services.
Spending Programme Area (SPA)	Within each MEG, budgets are allocated to Spending Programme Areas according to the kind of services they will deliver.

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

SUPPLEMENTARY BUDGET MAIN EXPENDITURE GROUP (MEG)			
Components of the Welsh Budget			£000's
MAIN EXPENDITURE GROUP			
Departmental Expenditure Limits	2011-12		Total
	Revenue	Capital	
Health, Social Services and Children	6,056,009	311,623	6,367,632
Local Government and Communities	4,860,397	287,477	5,147,874
Business, Enterprise, Technology & Science	181,245	118,733	299,978
Education and Skills	1,658,140	205,033	1,863,173
Environment and Sustainable Development	262,326	73,811	336,137
Housing, Regeneration and Heritage	283,846	361,049	644,895
Central Services and Administration	339,928	37,420	377,348
Total Welsh Government MEG Allocations	13,641,891	1,395,146	15,037,037
MAIN EXPENDITURE GROUP			
Annually Managed Expenditure ⁽¹⁾	2011-12		Total
	Revenue	Capital	
Health, Social Services & Children	279,786		279,786
Local Government and Communities	59,609		59,609
Business, Enterprise, Technology & Science	41,402		41,402
Education and Skills	-113,645	233,043	119,398
Housing, Regeneration and Heritage	-69,735		-69,735
Central Services and Administration	-2,347		-2,347
Total Welsh Government AME	195,070	233,043	428,113
Welsh Government Total Managed Expenditure	13,836,961	1,628,189	15,465,150

(1) These budgets are outside the Welsh Government's Departmental Expenditure Limit. They fund demand led items and are therefore not set at the Welsh Government's discretion. These budgets reflect the latest forecasts of expenditure.

HEALTH, SOCIAL SERVICES AND CHILDREN MAIN EXPENDITURE GROUP (MEG)									
REVENUE BUDGET - Departmental Expenditure Limit									
SPA	2011-12 Supplementary Budget June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's	
NHS Delivery	5,407,503	-2,004	1,821	93,000			5,500,320		
Total NHS Delivery	5,407,503	-2,004	1,821	93,000	0	0	5,500,320		
Health Central Budgets	188,826		-1,834				186,992		
Support Medical Health Policies & Legislation	16,331						16,331		
Hospice Support	7,028						7,028		
Total Health Central Budgets	212,185	0	-1,834	0	0	0	210,351		
Sponsorship of Public Health Bodies	63,785	3,454					67,239		
Food Standards Agency	3,651	-209					3,442		
Deliver Targeted Health Protection & Immunisation Activity	11,720	-622					11,098		
Promote Healthy Improvement & Healthy Working	15,219	-427					14,792		
Tackle Health Inequalities & Develop Partnership Working	11,497	-150					11,347		
Effective Health Emergency Preparedness Arrangements	5,921						5,921		
Develop & Implement Research and Development for Patient & Public Benefit	43,799						43,799		
Total Public Health & Prevention	155,592	2,046		0	0	0	157,638		
Children's Social Services	12,308	-472					11,836		
Children, Young People and Families	94,294						94,294		
Adult & Older People	51,484		-11,117				40,367		
Social Services Strategy	18,747						18,747		
Care Council for Wales	10,141	146					10,287		
Older People Commissioner	1,747						1,747		
Total Social Services	188,721	-326	-11,117	0	0	0	177,278		
CAFCASS Cymru Programmes	10,138	284					10,422		
Total CAFCASS Cymru	10,138	284	0	0	0	0	10,422		
Total Revenue - Health, Social Services and Children	5,974,139	0	-11,130	93,000	0	0	6,056,009		

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's	
NHS Delivery	NHS Delivery	247,573	0	0	49,520	0	0	297,093	297,093	
	Total NHS Delivery	247,573	0	0	49,520	0	0	297,093	297,093	
Public Health & Prevention	Effective Health Emergency Preparedness Arrangements	5,418	0	0	0	0	0	5,418	5,418	
	Total Public Health & Prevention	5,418	0	0	0	0	0	5,418	5,418	
Social Services	General Capital Funding	5,659						5,659	5,659	
	Care Council for Wales	23						23	23	
	Children, Young People and Families	3,430						3,430	3,430	
	Total Social Services	9,112	0	0	0	0	0	9,112	9,112	
	Total Capital - Health, Social Services and Children	262,103	0	0	49,520	0	0	311,623	311,623	

REVENUE BUDGET - Annually Managed Expenditure										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's	
NHS Impairments	NHS Impairments and Provisions	184,699	0	0	0	0	95,087	279,786	279,786	
	Total NHS Impairments and Provisions	184,699	0	0	0	0	95,087	279,786	279,786	
	Total AME - Health, Social Services and Children	184,699	0	0	0	0	95,087	279,786	279,786	

Health, Social Services and Children - Summary										£000's	
Revenue DEL	Capital DEL	Total DEL	Annually Managed Expenditure	Total - Health, Social Services and Children	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012
Revenue DEL	5,974,139	0	0	0	5,974,139	0	-11,130	93,000	0	0	6,056,009
Capital DEL	262,103	0	0	0	262,103	0	0	49,520	0	0	311,623
Total DEL	6,236,242	0	0	0	6,236,242	0	-11,130	142,520	0	0	6,367,632
Annually Managed Expenditure	184,699	0	0	0	184,699	0	0	0	0	95,087	279,786
Total - Health, Social Services and Children	6,420,941	0	0	-11,130	6,420,941	0	-11,130	142,520	0	95,087	6,647,418

LOCAL GOVERNMENT AND COMMUNITIES MAIN EXPENDITURE GROUP									
REVENUE BUDGET - Departmental Expenditure Limit									
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's
	Local Government Funding	4,209,918	-4,000	11,117				4,217,035	
	Total Local Government Funding	4,209,918	-4,000	11,117	0	0	0	4,217,035	
	Supporting Communities and People	45,123	-1,200	-1,599				42,324	
	Financial Inclusion	4,684	-2,750					1,934	
	Third Sector	8,855	-250					8,605	
	Total Supporting Communities and People	58,662	-4,200	-1,599	0	0	0	52,863	
	Safer Communities	5,585	-495					5,090	
	Fire and Rescue Services Resilience	2,400						2,400	
	Fire and Rescue Services National Framework	3,666						3,666	
	Domestic Abuse	4,715						4,715	
	Youth Justice	27,475						27,475	
	Substance Misuse	43,841	-495					43,346	
	Total Safer Communities	43,841	-495	0	0	0	0	43,346	
	Local Government Policy	880						880	
	Local Government Scrutiny and Standards	36,481		-65				36,416	
	Local Government Performance and Improvement	191						191	
	Local Government Partnerships	37,582	0	-65				37,487	
	Total Local Government Policy	37,582	0	-65	0	0	0	37,487	
	Local Taxation Policy	10,743						10,743	
	Valuation Services	1	1,600					1,601	
	Local Government Financial Accountability	0	5,000					5,000	
	Council Tax Benefit Schemes	10,744	6,600					17,344	
	Total Local Taxation Policy	10,744	6,600	0	0	0	0	17,344	
	Care and Social Services Inspectorate	15,757	-2,900					12,857	
	Care and Social Services Inspectorate	15,757	-2,900					12,857	
	Healthcare Inspectorate Wales	2,824						2,824	
	Total Healthcare Inspectorate Wales	2,824	0	0	0	0	0	2,824	
	Estyn	13,437	-3,000					10,437	
	Total Estyn	13,437	-3,000	0	0	0	0	10,437	
	Inspection, Regulation and Performance Frameworks	400						400	
	Inspection, Regulation and Performance Frameworks	400						400	
	Local & Regional Collaboration	1,560						1,560	
	Total Local & Regional Collaboration	1,560	0	0	0	0	0	1,560	
	Efficiency and Innovation	3,197	-2,005					1,192	
	Total Efficiency and Innovation	3,197	-2,005	0	0	0	0	1,192	
	Improve and Maintain Trunk Road Network (Domestic Routes)	23,684	6,098					29,782	
	Improve Public Transport (Rail)	175,598	-7,435					168,163	
	Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash	34,781			5,327			40,108	
	Total Improve Domestic Connectivity (Regional & National)	234,063	-1,337	0	5,327	0	0	238,053	

REVENUE BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's	
	Improve International Connectivity	40,577	3,723		11,332			44,300		
	Improve International Connectivity - Non Cash	73,910						85,242		
	Total Improve International Connectivity	114,487	3,723	0	11,332	0	0	129,542		
	Develop Sustainable Travel	84,657	3,415	130				88,202		
	Total Improve Integrated Transport (Local)	84,657	3,415	130	0	0	0	88,202		
	Improve Road Safety & Transport's impact on the Environment	3,056	4,199					7,255		
	Total Improve Road Safety & Transport's impact on the Environment	3,056	4,199	0	0	0	0	7,255		
	Total Revenue - Local Government and Communities	4,834,155	0	9,583	16,659	0	0	4,860,397		

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's	
	Funding Support for Local Government	20,000						20,000		
	Total Local Government Funding	20,000	0	0	0	0	0	20,000		
	Community Development	17,280	-2,300					14,980		
	Total Supporting Communities and People	17,280	-2,300	0	0	0	0	14,980		
	Fire and Rescue Services Resilience	1,000						1,000		
	Fire and Rescue Services National Framework	1,339						1,339		
	Domestic Abuse	700	1,300					2,000		
	Substance Misuse	6,117						6,117		
	Total Safer Communities	9,156	1,300	0	0	0	0	10,456		
	Estyn	339						339		
	Total Estyn	339	0	0	0	0	0	339		
	Improve and Maintain Trunk Road Network (Domestic Routes)	56,569	13,603		3,345			73,517		
	Improve Public Transport (Rail)	27,105	-17,031		2,960			13,034		
	Total Improve Domestic Connectivity (Regional & National)	83,674	-3,428	0	6,305	0	0	86,551		
	Improve International Connectivity	59,088	-10,876					48,212		
	Total Improve International Connectivity	59,088	-10,876	0	0	0	0	48,212		
	Develop Sustainable Travel	39,584	6,128					45,712		
	Improve and Maintain Local Roads Infrastructure	24,646	10,011					34,657		
	General Capital Funding - Roads	16,483						16,483		
	Total Improve Integrated Transport (Local)	80,713	16,139	0	0	0	0	96,852		
	Improve Road Safety & Transport's impact on the Environment	10,922	-835					10,087		
	Total Improve Road Safety & Transport's impact on the Environment	10,922	-835	0	0	0	0	10,087		
	Total Capital - Local Government and Communities	281,172	0	0	6,305	0	0	287,477		

REVENUE BUDGET - Annually Managed Expenditure							£000's			
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Funding Support for Local Government	13,583					799	14,382		
	Total Local Government Funding	13,583	0	0	0	0	799	14,382		
	Improve and maintain the Trunk Road Network (Non Cash)	24,138					21,089	45,227		
	Total Improve Domestic Connectivity (Regional & National)	24,138	0	0	0	0	21,089	45,227		
	Total AME - Local Government and Communities	37,721	0	0	0	0	21,888	59,609		

REVENUE BUDGET - Annually Managed Expenditure							£000's			
Local Government and Communities - Summary	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012			
Revenue DEL	4,834,155		9,583	16,659			4,860,397			
Capital DEL	281,172			6,305			287,477			
Total DEL	5,115,327	0	9,583	22,964	0	0	5,147,874			
Annually Managed Expenditure	37,721	0	0	0	0	21,888	59,609			
Total - Local Government and Communities	5,153,048	0	9,583	22,964	0	21,888	5,207,483			

BUSINESS, ENTERPRISE, TECHNOLOGY AND SCIENCE MAIN EXPENDITURE GROUP (MEG)									
REVENUE BUDGET - Departmental Expenditure Limit									
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's
	Legacy SIF	8,915						8,915	
	Sectors	25,315	-8,000					17,315	
	Entrepreneurship & Business Information	14,641						14,641	
	Total Sectors and Business	48,871	-8,000	0	0	0	0	40,871	
	Encouraging Innovation	3,162						3,162	
	Total Encouraging Innovation	3,162	0	0	0	0	0	3,162	
	Regional Funding	2,005						2,005	
	Total Regional Funding	2,005	0	0	0	0	0	2,005	
	Finance Wales	5,102						5,102	
	Total Finance Wales	5,102	0	0	0	0	0	5,102	
	Major Events	3,930						3,930	
	Total Major Events	3,930	0	0	0	0	0	3,930	
	Marketing	2,840						2,840	
	Total Marketing	2,840	0	0	0	0	0	2,840	
	Deliver ICT Infrastructure	8,059		100				8,159	
	Deliver Property Related Infrastructure - Non Cash	1,309			504			1,813	
	Deliver Property Related Infrastructure	12,102						12,102	
	Total Infrastructure	21,470	0	100	504	0	0	22,074	
	Corporate Programmes	3,488			347			3,835	
	Strategy Programmes	1,189						1,189	
	Total Strategy & Corporate Programmes	4,677	0	0	347	0	0	5,024	
	Manage Delivery of Structural Fund Programmes in Wales	1,522			1,425			2,947	
	Total WEFO	1,522	0	0	1,425	0	0	2,947	
	Cost Sharing and Responsibility	20						20	
	Making Payments in accordance with EU and WAG rules	7,360						7,360	
	Delivering the programmes within the Rural Development Plan	62,512						62,512	
	Evidence based development for Rural Affairs	806						806	
	Developing, managing and enforcing Welsh Fisheries and aquaculture	1,642			23			1,665	
	Developing and marketing Welsh food and drink sector	5,275						5,275	
	Meeting the needs of rural communities and rural proofing WAG actions	1,705				1,200		2,905	
	Total Rural Affairs	79,320	0	0	23	1,200	0	80,543	
	Increase visitor demand and conversion	8,390						8,390	
	Developing the Visitor Experience	4,357						4,357	
	Total Tourism	12,747	0	0	0	0	0	12,747	
	Total Revenue - Business, Enterprise, Technology and Science	185,646	-8,000	100	2,299	1,200	0	181,245	

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
Sectors and Business	Legacy SIF	56,250								56,250
	Sectors	12,879	3,000							15,879
	Total Sectors and Business	69,129	3,000	0	0	0	0	0	0	72,129
Encouraging Innovation	Encouraging Innovation	433								433
	Total Encouraging Innovation	433	0	0	0	0	0	0	0	433
Regional Funding	Regional Funding	995								995
	Total Regional Funding	995	0	0	0	0	0	0	0	995
Finance Wales	Finance Wales	1,500	5,000		2,245					8,745
	Total Finance Wales	1,500	5,000	0	2,245	0	0	0	0	8,745
Infrastructure	Deliver ICT Infrastructure	3,191								3,191
	Deliver Property Related Infrastructure	3,100			8,500					11,600
Strategy & Corporate Programmes	Total Infrastructure	6,291	0	0	8,500	0	0	0	0	14,791
	Corporate Programmes	449								449
	Total Strategy & Corporate Programmes	449	0	0	0	0	0	0	0	449
Rural Affairs	Delivering the programmes within the Rural Development Plan	11,601			2,400					14,001
	Developing, managing and enforcing Welsh Fisheries and aquaculture	1,400								1,400
	Total Rural Affairs	13,001	0	0	2,400	0	0	0	0	15,401
Tourism	Developing the Visitor Experience	2,790			3,000					5,790
	Total Tourism	2,790	0	0	3,000	0	0	0	0	5,790
	Total Capital - Business, Enterprise, Technology and Science	94,588	8,000	0	16,145	0	0	0	0	118,733

REVENUE BUDGET - Annually Managed Expenditure										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
Infrastructure	Deliver Property Related Infrastructure - Non Cash	41,402								41,402
	Total Infrastructure	41,402	0	0	0	0	0	0	0	41,402
	Total AME -Business, Enterprise, Technology and Science	41,402	0	0	0	0	0	0	0	41,402

Business, Enterprise, Technology & Science - Summary										£000's
	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Revenue DEL	185,646	-8,000	100	2,299	1,200	0	181,245		
	Capital DEL	94,588	8,000	0	16,145	0	0	118,733		
	Total DEL	280,234	0	100	18,444	1,200	0	299,978		
	Annually Managed Expenditure	41,402	0	0	0	0	0	41,402		
	Total - Business, Enterprise, Technology & Science	321,636	0	100	18,444	1,200	0	341,380		

EDUCATION AND SKILLS MAIN EXPENDITURE GROUP									
REVENUE BUDGET - Departmental Expenditure Limit									
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's
	Children and Young People's Strategy	27,849	-3,302					24,547	
	School Leadership & Effectiveness	22,600	10,388	65				33,053	
	Support for Learners	72,248	4,313	-210				76,351	
	Total Children, Young People and School Effectiveness	122,697	11,399	-145	0	0	0	133,951	
	Curriculum & Assessment (incl. Foundation Phase)	100,942	-1,706					99,236	
	Qualifications & Learning	15,304	-6,821					8,483	
	Learning Improvement & Professional Development	20,218	-2,118					18,100	
	Welsh Language Development	12,377	-962					11,415	
	Basic Skills	9,353	-5,841					3,512	
	Total Qualification, Curriculum and Learning Improvement	158,194	-17,448	0	0	0	0	140,746	
	Business & Skills	31,846	6,524		650			39,020	
	Higher Education	394,479	-3,988	1,834				392,325	
	Lifelong Learning & Providers	584,319	-1,771					582,548	
	Total Skills, Higher Education and Lifelong Learning	1,010,644	765	1,834	650	0	0	1,013,893	
	Student Finance & Funding	311,820	6,761		25,600			344,181	
	Knowledge Management	10,269	-700					9,569	
	Strategic Projects	2,699	-777					1,922	
	Welsh Language Board	13,878						13,878	
	Total Business Improvement and Resource Investment	338,666	5,284	0	25,600	0	0	369,550	
	Total Revenue - Education and Skills	1,630,201	0	1,689	26,250	0	0	1,658,140	

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Capital Funding	169,973			35,060			205,033		
	Total Business Improvement and Resource Investment	169,973	0	0	35,060	0	0	205,033		
	Total Capital - Education and Skills	169,973	0	0	35,060	0	0	205,033		

CAPITAL BUDGET - Annually Managed Expenditure										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Student Finance & Funding - Capital	240,951					-7,908	233,043		
	Student Finance & Funding - Revenue	-115,649					2,004	-113,645		
	Total Business Improvement and Resource Investment	125,302	0	0	0	0	-5,904	119,398		
	Total AME - Education and Skills	125,302	0	0	0	0	-5,904	119,398		

CAPITAL BUDGET - Annually Managed Expenditure										£000's
Education and Skills - Summary	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012			
Revenue DEL	1,630,201	0	1,689	26,250	0	0	1,658,140			
Capital DEL	169,973	0	0	35,060	0	0	205,033			
Total DEL	1,800,174	0	1,689	61,310	0	0	1,863,173			
Annually Managed Expenditure - Capital	240,951	0	0	0	0	-7,908	233,043			
Annually Managed Expenditure - Revenue	-115,649	0	0	0	0	2,004	-113,645			
Total Annually Managed Expenditure	125,302	0	0	0	0	-5,904	119,398			
Total Education and Skills	1,925,476	0	1,689	61,310	0	-5,904	1,982,571			

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP (MEG)									
REVENUE BUDGET - Departmental Expenditure Limit									
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's
Climate Change and Sustainability	Develop and deliver overarching policy and programmes on sustainable development and environment legislation and regulation	1,155		-90				1,065	
	Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	12,907	-120					12,787	
	Develop and implement flood and coastal risk, water and sewage policy and legislation	19,664	120					19,784	
	Facilitate clean and secure energy and industry investment	1,240						1,240	
	Manage and Implement the Waste Strategy and waste procurement	82,519						82,519	
	Total Climate Change and Sustainability	117,485	0	-90	0	0	0	117,395	
	Deliver nature conservation and marine policies	2,456	875					3,331	
	Develop an appropriate evidence base	917						917	
	Manage and implement EU Waste legislation, LEQ and contaminated land	4,778						4,778	
	Promote protected landscapes and countryside access	11,120	125	-130				11,115	
Sponsor and manage delivery bodies	61,497					-1,650	59,847		
Total Environment	80,768	1,000	-130	-1,650	0	-1,650	79,988		
Planning	Planning policy development, Planning Inspectorate and regulation	7,772					7,772		
Total Planning		7,772	0	0	0	0	7,772		
Protecting and Improving Animal Health and Welfare	Protecting and Improving Animal Health and Welfare	41,038	-5,000				36,038		
Total Protecting and Improving Animal Health and Welfare		41,038	-5,000	0	0	0	36,038		
Evidence Base	Developing an appropriate evidence base to support the work of the Department	352			29		381		
	Protecting plant health and developing GM policies	52					52		
Total Evidence Base		404	0	0	29	0	433		
Common Agriculture Policy and the Countryside	Implementing the new Woodland Strategy through Forestry Commission Wales	21,600			-900		20,700		
Total Common Agriculture Policy and the Countryside		21,600	0	0	-900	0	20,700		
Total Revenue - Environment and Sustainable Development		269,067	-4,000	-220	-871	-1,650	262,326		

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Develop and deliver overarching policy and programmes on sustainable development and environment	13,500						13,500		
	Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	18,577			5,000			23,577		
	Develop and implement flood and coastal risk, water and sewage policy and legislation	18,300	2,000		2,169			22,469		
	Manage and Implement the Waste Strategy and waste procurement	5,832			2,000			7,832		
	Total Climate Change and Sustainability	56,209	2,000	0	9,169	0	0	67,378		
	Promote protected landscapes and countryside access	3,600						3,600		
	Sponsor and manage delivery bodies	1,000	2,000					3,000		
	Total Environment	4,600	2,000	0	0	0	0	6,600		
	Evidence Base	38	0	0	0	0	0	38		
	Total Evidence Base	38	0	0	0	0	0	38		
	Common Agriculture Policy and the Countryside	-205						-205		
	Implementing the new Woodland Strategy through Forestry Commission Wales	-205						-205		
	Total Common Agriculture Policy and the Countryside	-205	0	0	0	0	0	-205		
	Total Capital - Environment and Sustainable Development	60,642	4,000	0	9,169	0	0	73,811		

Environment and Sustainable Development - Summary										£000's
		2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Revenue DEL	269,067	-4,000	-220	-871	-1,650	0	262,326		
	Capital DEL	60,642	4,000	0	9,169	0	0	73,811		
	Total DEL	329,709	0	-220	8,298	-1,650	0	336,137		
	Annually Managed Expenditure	0	0	0	0	0	0	0		
	Total - Environment and Sustainable Development	329,709	0	-220	8,298	-1,650	0	336,137		

HOUSING, REGENERATION AND HERITAGE MAIN EXPENDITURE GROUP (MEG)										
REVENUE BUDGET - Departmental Expenditure Limit										
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's	
	Achieve quality housing	274	-115					159		
	Develop Housing policy, legislation and regulation	2,617	-170					2,447		
	Enable people to live independent lives	144,456	-625					143,831		
	Increase the supply and choice of housing	97			755			852		
	Tackle homelessness	7,321						7,321		
	Total Housing	154,765	-910	0	755	0	0	154,610		
	Implementation of Strategic Regeneration Areas	5,189		99				5,288		
	Manage Delivery of Legacy Regeneration Areas	8,200						8,200		
	Community Development	1,100						1,100		
	Total Regeneration	14,489	0	99	0	0	0	14,588		
	Support and sustain a strong arts sector via the Arts Council and others	35,547	-96					35,451		
	Total Support and sustain a strong arts sector via the Arts Council and others	35,547	-96	0	0	0	0	35,451		
	Foster Usage and Lifelong Learning through Museum Services	24,057	90					24,147		
	Foster Usage and Lifelong Learning through Library Services	11,896	-300					11,596		
	Strategic Leadership for museum, archive & library services	2,238	250					2,488		
	Total Museums, Archives and Libraries	38,191	40	0	0	0	0	38,231		
	Delivery of effective sports & physical activity programmes	25,437	-315					25,122		
	Total Delivery of effective sports & physical activity programmes	25,437	-315	0	0	0	0	25,122		
	Media and Publishing	4,031	31					4,062		
	Total Media and Publishing	4,031	31	0	0	0	0	4,062		
	Conserve, protect, sustain and promote access to the historic environment	11,712	70					11,782		
	Total Conserve, protect, sustain and promote access to the historic environment	11,712	70	0	0	0	0	11,782		
	Total Revenue - Housing, Regeneration and Heritage	284,172	-1,180	99	755	0	0	283,846		

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Achieve quality housing	178,503						178,503		
	Enable people to live independent lives	1,641			1,500			3,141		
	Increase the supply and choice of housing.	69,248	2,940		19,620			91,808		
	Total Housing	249,392	2,940	0	21,120	0	0	273,452		
	Implementation of Strategic Regeneration Areas	39,693			20,041			59,734		
	Manage Delivery of Legacy Regeneration Areas	3,900						3,900		
	Regeneration & Other Local Services - General Capital Funding	11,500						11,500		
	Coalfields Regeneration Trust Capital	250						250		
	Total Regeneration	55,343	0	0	20,041	0	0	75,384		
	Support and sustain a strong arts sector via the Arts Council and others	460	40					500		
	Total Support and sustain a strong arts sector via the Arts Council and others	460	40	0	0	0	0	500		
	Foster Usage and Lifelong Learning through Museum Services	3,118	-1,980					1,138		
	Foster Usage and Lifelong Learning through Library Services	955			970			1,925		
	Strategic Leadership for museum, archive & library services	1,600						1,600		
	Total Museums, Archives and Libraries	5,673	-1,980	0	970	0	0	4,663		
	Delivery of effective sports & physical activity programmes	345	180					525		
	Total Delivery of effective sports & physical activity programmes	345	180	0	0	0	0	525		
	Media and Publishing	25						25		
	Total Media and Publishing	25	0	0	0	0	0	25		
	Conserve, protect, sustain and promote access to the historic environment	5,500			1,000			6,500		
	Total Conserve, protect, sustain and promote access to the historic environment	5,500	0	0	1,000	0	0	6,500		
	Total Capital - Housing, Regeneration and Heritage	316,738	1,180	0	43,131	0	0	361,049		

REVENUE BUDGET - Annually Managed Expenditure										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Museums and Libraries Pensions	2,265						2,265		
	Total Museums, Archives and Libraries	2,265	0	0	0	0	0	2,265		
	Achieve quality housing	-72,000						-72,000		
	Total Housing	-72,000	0	0	0	0	0	-72,000		
	Total AME - Housing, Regeneration and Heritage	-69,735	0	0	0	0	0	-69,735		

		£000's							
	Housing, Regeneration and Heritage - Summary	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	
	Revenue DEL	284,172	-1,180	99	755	0	0	283,846	
	Capital DEL	316,738	1,180	0	43,131	0	0	361,049	
	Total DEL	600,910	0	99	43,886	0	0	644,895	
	Annually Managed Expenditure	-69,735	0	0	0	0	0	-69,735	
	Total - Housing, Regeneration and Heritage	531,175	0	99	43,886	0	0	575,160	

CENTRAL SERVICES AND ADMINISTRATION MAIN EXPENDITURE GROUP (MEG)									
REVENUE BUDGET - Departmental Expenditure Limit									
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	£000's
	Delegated Running Costs	214,326	-22,275	0	0	0	0	192,051	
	Total Delegated Running Costs	214,326	-22,275	0	0	0	0	192,051	
	General Administration	37,957	19,557	-257				57,257	
	Location Strategy	3,664	-3,664					0	
	Capital Charges	16,000			6,200			22,200	
	IT Costs (Revenue)	20,052	-254					19,798	
	Enabling Government	13,503	-914					12,589	
	Total Central Running Costs	91,176	14,725	-257	6,200	0	0	111,844	
	Election Costs	8,903						8,903	
	Public Appointments	159		210				369	
	Improving Economic & Labour Market Statistics	1,223						1,223	
	Events & Corporate Communications	650						650	
	Geographical Information	1,691	1,300				-2,081	910	
	Central Research	1,769	-450					1,319	
	Strategic Capital Investment Fund	469						469	
	Economic Research Advisory Panel	468						468	
	PSMW	1,196						1,196	
	Invest-to-save	0						336	
	Value Wales	450		-1,664	2,000			450	
	Xchange Wales	3,346						3,346	
	Total Information & Support Services	20,324	850	-1,454	2,000	-2,081	0	19,639	
	International Development	755		90				845	
	International Relations	1,491						1,491	
	Digital Inclusion	1,000						1,000	
	Community Cohesion	200		1,500				1,700	
	Inclusion - Refugees, Asylum Seekers and Migrant Workers	965						965	
	Equality and Human Rights	863						863	
	Match Funding	9,530						9,530	
	Total Central Programmes	14,804	0	1,590	0	0	0	16,394	
	Total Revenue - Central Services and Administration	340,650	-6,700	-121	8,200	-2,081	0	339,928	

CAPITAL BUDGET - Departmental Expenditure Limit										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Capital	4,382	4,975					9,357		
	Enabling Government	600	1,475					2,075		
	Location Strategy	3,000	-3,000					0		
	IT Costs Capital	4,000	2,750					6,750		
	Total Central Running Costs	11,982	6,200	0	0	0	0	18,182		
	Invest-to-Save	0	500					500		
	Total Information & Support Services	0	500	0	0	0	0	500		
	Central Programmes	2,000						2,000		
	Gypsy Travellers	16,738						16,738		
	Match Funding									
	Total Central Programmes	18,738	0	0	0	0	0	18,738		
	Total Capital - Central Services and Administration	30,720	6,700	0	0	0	0	37,420		

REVENUE BUDGET - Annually Managed Expenditure										£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Provisions for Early Retirement	-1,100						-2,347		
	Total Central Running Costs	-1,100	0	0	0	0	0	-1,247		
	Total AME - Central Services & Administration	-1,100	0	0	0	0	0	-2,347		

Central Services and Administration - Summary										£000's
	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 UK Government Transfers	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012		
	Revenue DEL	340,630	-6,700	-121	8,200	-2,081	0	339,928		
	Capital DEL	30,720	6,700	0	0	0	0	37,420		
	Total DEL	371,350	0	-121	8,200	-2,081	0	377,348		
	Annually Managed Expenditure	-1,100	0	0	0	0	-1,247	-2,347		
	Total - Central Services and Administration	370,250	0	-121	8,200	-2,081	-1,247	375,001		



Jocelyn Davies AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

8 February 2012

Dear Jocelyn

Supplementary Budget 2011-12

I am writing to advise the Committee that the Commission is submitting a supplementary budget as part of the Welsh Government's submission in February 2012.

The change we are seeking is the return of the unused election budget. The 2011-12 Budget provided for separate funds to accommodate the one-off nature of election costs. The funds agreed were £3.460m for Assembly Members and £0.655m for Assembly Services. This budget was estimated on the basis of 30 Members not returning to the Assembly whereas the actual figure was 23 Members resulting in a lower call on resettlement grants, winding up allowances, redundancy payments as well as new Member start-up costs.

The Budget outlined that the Commission would seek to return any excess to the Welsh block through the supplementary budget route. Following Commissioners' agreement, we are proposing to return £1.8m of the

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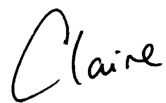
Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

Assembly Members' £3.460m election budget. The total cost claimed by Assembly Members has been in the order of £1.6m. In addition to there being fewer new Members than estimated, those Members who stood down or were not re-elected did not claim as many costs as budgeted.

This budget change effects Tables 1 and 4 as well as Appendix 1 and Annex C in the 2011-12 budget. I attach restated tables for your convenience. I confirm that no other changes are being made to the Commission's budget.

If you would like to meet to discuss any aspect of this budget change, please let me know.

Yours sincerely

A handwritten signature in black ink that reads "Claire". The signature is written in a cursive style with a large initial 'C'.

Claire Clancy

**Prif Weithredwr a Chlerc/Chief Executive and Clerk
Cynulliad Cenedlaethol Cymru/National Assembly for Wales**

cc Angela Burns AM, Assembly Commissioner

Table 1: The Assembly Commission 2011-12 Budget**£000**

Resources other than accruing resources for use by the National Assembly for Wales Commission on revenue and capital costs associated with the administration and operation of Assembly services to support the National Assembly for Wales (“the Assembly”); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Assembly or functions of the National Assembly for Wales Commission.	32,328
Resources other than accruing resources for use by the National Assembly for Wales Commission in respect of decisions of the Remuneration Board.	16,494 14,694
Annually Managed Expenditure for use by the National Assembly for Wales Commission in respect of Assembly Members’ Pension provision.	500
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission: <ul style="list-style-type: none"> • from the disposal of fixed assets and other capital income for use on the purchase or acquisition of fixed assets; or • rental income; gifts; grant support; recharges and income from commercial sales and other services provided to the public or others for use on administrative costs of the Assembly. 	260
Amount to be issued from the Welsh Consolidated Fund to meet the anticipated amounts falling due for payment in the year in respect of the above services and purposes less expected retainable receipts and recoverable VAT.	46,718 44,918

Table 4 – Indicative Budget**£000**

	2010-11	2011-12	2012-13	2013-14	2014-15
Assembly Members	13,380	13,034*	13,041	13,126	13,130
% cut to real term budget		4.4%	2.2%	1.9%	2.5%
Equates to reduction		600	293	254	337
One-off Election Costs		3,460	-	-	-
		1,660			
Total DEL Budget	13,380	16,494	13,041	13,126	13,130
		14,694			
AME Budget	500	500	500	500	500

* In comparison, the 2010-11 budget estimated £13.923m for 2011-12.

Appendix 1 – Assembly Members’ 2011–12 Budget

Budget analysed by type of expense and income

	£000	£000
	2011–12 Budget	2010–11 Budget
<i>Revenue expenditure</i>		
AM Salary Related Costs		5,406
AMSS Salary Related Costs		6,222
AM Car Hire		50
AM Own Car Mileage		160
AM UK T&S		81
AM Overseas T&S		61
AM Family Travel		9
AMSS T&S		24
AM Office Costs Allowance		850
AM Additional Costs Allowance		484
PO & DPO T&S		6
Assembly Commissioners' expenses		1
Commissioner for Standards (2010–11)	–	26
NET REVENUE EXPENDITURE	13,034¹	13,380
Capital Expenditure	–	–
NET CAPITAL EXPENDITURE	–	–
Election costs	3,460 1,660	–
Total Resource requirement	16,494 14,694	13,380
Annually Managed Expenditure (AME)		
Assembly Members’ Pension provision	500	500

For Remuneration Board to confirm

¹ Reflecting the 4.4 per cent real term cut

Annex C – Reconciles the net resource requirement to the cash drawing requirement from the Welsh Consolidated Fund

	£000		
	2011-12	2012-13	2013-14
Members Net Revenue Requirement	16,494 14,694	13,041	13,126
Commission Net Revenue Requirement ¹	31,212	30,938	31,145
Net Capital Requirement	1,116	750	750
Assembly Members' Pension provision	500	500	500
<i>Adjustments:</i>			
Depreciation	(3,254)	(3,300)	(3,300)
Impairments	-	-	-
Movements in provisions	(500)	(500)	(500)
Profit/loss on sale of assets	-	-	-
Movements in stocks	-	-	-
Movement in debtors and creditors	1,150	-	-
Use of provisions	-	-	-
Other	-	-	-
Net cash requirement for issue from the Welsh Consolidated Fund	46,718 44,918	41,429	41,721

¹ Assumes Accruing Income of £0.260 million year on year

Our ref: PT/mm

Ask for: Marilyn Morgan

Your ref:

 01656 641152

Date: 9 February 2012

 Marilyn.morgan@ombudsman-wales.org.uk

Jocelyn Davies AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Ms Davies

Second Supplementary Budget for 2011-12

As you are aware my Estimate paper for 2012-13 incorporated details of a Supplementary Estimate for the current financial year 2011-12. This covered the pension deficit arising out of the membership of the Local Government Pension Scheme by the former Commission for Local Administration in Wales. As a Committee, in your report on my Estimate's submission, you supported my seeking to obtain addition Annually Managed Expenditure (AME) to recognise this pension fund deficit liability.

Since the issuing of the report discussions have been ongoing with the finance officials of the Welsh Government to determine the amount of the provision that should be included in the current financial year and the appropriate treatment to enable the matter to be considered by the Treasury in line with the publication issued by the Treasury "Consolidated Budgetary Guidance from 2010-11.

I am able to confirm that the Welsh Government have been successful in securing this funding and the appropriate changes have been incorporated into the Second Supplementary Budget for 2011-12 that is due for consideration at the forthcoming Finance Committee. There is no impact on the overall cash requirement of my office from the Welsh Consolidated Fund in the 2011-12 financial year.

Yours sincerely



Peter Tyndall
Ombudsman

Carl Sargeant AC / AM
Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref SF/CS/6236/11



Jocelyn Davies AM
Chair of the Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA



January 2012

Mr Jocelyn

I wrote to you on 7 November following my attendance at your Committee on 20 October, providing the additional information which the Committee had requested.

I said in that letter that I would provide the Work Plans of the Public Service Leadership Group (PSLG) National Work Programmes following discussion and endorsement by the PSLG at their meeting on 21 November.

I now enclose a hard copy of the Work Plans in English and Welsh. These will be published on the Welsh Government website and will be accessible via the following link: <http://www.wales.gov.uk/topics/improvingervices/?lang=en&ts=4>

Carl

Carl Sargeant AC / AM
Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities

Bae Caerdydd • Cardiff Bay
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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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Organisational Development and Simpson Implementation – Work Programme Plan

The role of the Organisational Design and Simpson Implementation Board (ODSI) is to act as the programme board to take forward the commitments agreed in the Compact between Welsh Government and Local Government and develop approaches to support change and broader organisational development across the Welsh public service.

The Board will provide leadership, support and challenge to those projects which are developed directly under its aegis but will also provide the Public Service Leadership Group with a broader oversight of the progress made in the full range of Compact commitments. It will seek to develop strategic coherence across the commitments identifying interdependencies, risks and opportunities for acceleration of change wherever possible

As local authority service delivery in Wales evolves and reflects a range of service patterns at local, regional and national levels the ODSI group will provide a leadership platform to consider the implications of this on the ways of working and functionality of the 22 Councils in Wales.

Objectives

Simpson Implementation

The Programme Board will:

- provide strategic oversight of the implementation of the full Simpson agenda, and drive forward an agreed set of priority actions to demonstrate tangible progress in key areas;
- ensure coherence to broad local government reform agenda arising from the Simpson Report and the specific reforms in education and social services;
- provide a assessment of the future shape of local, regional and national public service delivery; and
- encourage closer working across the public services at a local regional and national level to improve service delivery and/or reduce costs.

Organisational Development

The group will commission task and finish groups to:

- build coherence and identify opportunities for shared corporate functions across local government and the wider public service, working with the Asset Management and Procurement National Work Programme.
- support the development of Lean and systems thinking as opportunities to improve efficiency and effectiveness; and
- develop opportunities for new ways of working and identify any potential technological, asset and human resource implications.

Projects and key deliverables

At an early stage the project board will prioritise the commitments contained within the Simpson Compact and identify those areas where it will add most value.

There are a wide range of projects, and even programmes of work, identified within the Compact and some of these have their own well established governance structure. It is not proposed to duplicate this; the Board will seek to engage with these other than to gain assurance from their programme leads that delivery is in line with expectations set out in the Compact and report this to the PSLG and then on to the Partnership Council. These include projects relating to: Waste Collection and Treatment; Transport; Planning; Translation; Housing (Supporting People Programme). Procurement related commitments will be taken forward by the Asset Management and Procurement national work programme.

The projects identified below are those where the Programme Board will have more direct oversight.

Simpson Implementation

Project	Commitment	Deliverable	Role	Timeframe
ICT	Local Government with the support of Welsh Government to continue to implement the Public Services ICT Strategy, beginning with collaborative procurement frameworks for ICT hardware and shared ICT Infrastructure.	Fully implemented ICT strategy. Collaborative procurement infrastructure for ICT hardware and shared ICT infrastructure.		March 2012
Corporate Services	To support the review of the organisation of the local authority pension funds in Wales.	Business Case and Recommendations to the optimal organisation of local authority pension funds.		October 2012
	Local Government to review the options for the administration and collection of local taxation (Council Tax and NNDR) in Wales at either a regional or national level.	Options Appraisal, Business Case and Recommendations as to the configuration of the administration and collection of local taxation.		June 2012
	Local Government to review the	Options Appraisal,		March 2013

	scope for collaboration in the future delivery of a range of corporate services (to be agreed) such as payroll, legal services and human resources.	Business Case, and Recommendations which identify the delivery of pre agreed corporate services.		
Regulatory Services	Welsh Government to confirm the policy intent for the future shape of Trading Standards services.	Ministerial Statement on the future shape of Trading Standards.		March 2012
	Local Government and the Welsh Government to review the scope for collaborative service delivery in Trading Standards following confirmation.	Options Appraisal, Business Case and Recommendations for the delivery of Trading Standards.		September 2012
	Local Government with the support of the Welsh Government to review the scope for collaboration in environmental health services.	Options Appraisal, Business Case and Recommendations on the scope of collaboration in environmental health services.		December 2012
Library Services	Welsh Government and Local Government to review existing collaborative arrangements in the library services.	Options Appraisal, Business Case and Recommendations on improving and building		September 2012

		on the collaborative arrangements for library services in Wales.			
	Agree an implementation plan for further collaborative arrangements based upon the findings of the review.	An implementation plan based upon the Recommendations of the review.		November 2012	
	Welsh Government and Local Government to review the scope for collaboration in the future delivery of archive services.	Options Appraisal, Business Case and Recommendations on improving and building on the collaborative arrangements for archive services.		September 2012	
Emergency Planning	Welsh Government and Local Government to regionalise the delivery of emergency planning services within 2 years	Business Case, Recommendations and Implementation Plan		Completed by 2013	
	Welsh Government and Local Government to regionalise the delivery of emergency planning on a multi agency basis within 4 years.	Business Case, Recommendations and Implementation Plan		Completed by 2015	
Housing	Welsh Government and Local	Business Case and		March 2012	

	Government to review and prioritise the key areas for regional working in housing services; and	Recommendations for prioritisation of key areas for regional working.	
	Produce an action plan for implementation subject to evaluation.	Implementation Plan based on recommendations.	March 2012
Leisure	Local Government with the support of Welsh Government to review the scope for collaboration in the future delivery of culture and leisure services.	Business Case and Recommendations for the collaboration in the future delivery of culture and leisure services.	March 2012
		Implementation Plan based on above.	
Specialist Services	Welsh Government and Local Government to review the scope of collaboration in the future delivery of support for listed and historic buildings.	Business Case and Recommendations for the collaboration in the future delivery of support for	September 2012

Annex A**Proposed membership of the Organisational Design and Simpson Implementation Programme Board**

Name	Role
Jo Farrar, Chief Executive, Bridgend County Borough Council	Chair
Steve Phillips, Chief Executive, Neath Port Talbot County Borough Council	Board Member
Gareth Chapman, Chief Executive, Merthyr Tydfil County Council	Board Member
Jon House, Chief Executive, Cardiff Council	Board Member
Mark James, Chief Executive, Carmarthenshire County Council	Board Member
Paul Matthews, Chief Executive, Monmouthshire County Council	Board Member
Colin Everett, Chief Executive, Flintshire County Council	Board Member
Peter Vaughan, Chief Constable, South Wales Police	Board Member
Mary Burrows, Chief Executive, Betsi Cadwaladr Local Health Board	Board Member
Paul Roberts, Chief Executive, Abertawe Bro Morgannwg Local Health Board	Board Member
Steve Thomas, Chief Executive, Welsh Local Government Association	Board Member

The following are observers/optional attendees

Name	Role	Responsibility

Governance

The Chair of the Organisational Development and Simpson Implementation work programme is Jo Farrar, Chief Executive, Bridgend County Borough Council.

This work plan has been agreed by the Public Service Leadership Group, chaired by the Minister for Local Government and Communities, Carl Sargeant AM.

Reports on progress will be provided regularly to the PSLG, and the Chairs of the three national work programmes and regional collaboration will be accountable to the Minister for Local Government for progress against these agreed work plans. A measurement framework to help demonstrate and report the progress being made will be developed.

The ODSI work programme places significant emphasis upon a broad local government approach. There is the potential and need for better alignment, communication and engagement with the broader group of stakeholders on key strategic issues. Members of the ODSI Board, through their regional leadership roles, will provide enhanced stakeholder engagement and management through their local relationships with other public service partners.

The collective political leadership for the reform agenda will be brought together under a reformed Partnership Council for Wales.

The Chairs of the regional boards and other national programmes will act as an informal joint steering group / sounding board for the workstream, ensuring clarity between regional and national direction. The workstream membership is shown at Annex A.

Resources

The work programme will be supported through bringing together resource from across the public service community in Wales. Recognising the collective agenda being pursued public service partners are not generally expected to seek to recharge for the involvement of staff in this work, or for other support (e.g. hosting meetings), although formal secondments of experts to this work programme can be funded where appropriate.

This resource from across the public service can be supplemented where necessary by specialist work commissioned externally, subject to the normal Welsh Government controls on consultancy. Other costs (for example, meeting costs if it is impossible to secure a meeting room within the public service community) may also be supported.

Asset Management and Procurement – Work Programme Plan

Objectives

This work programme brings together, builds on, and utilises earlier work to realise efficiency and effectiveness opportunities from proactive, strategic estate management and to drive savings and wider value from the £4.3 billion spent annually through procurement by public services.

Specific objectives related to the two strands are set out below.

Asset Management:

1. Promote and develop projects to make effective use of enabling tools such as the property database (ePIMS) and other systems:-

The establishment of an all Wales Public Sector Property Database: e-PIMS provides a platform to ensure that resources/assets are developed and utilised to their full potential. Currently there are in excess of 12,000 property holdings recorded in Wales.

At present very close to securing 100% participation across the Welsh Public sector – Unitary Authorities in Wales have signed (or are working towards signing) formal agreements to put their land and property assets data on e-PIMS.

We have recently launched a more easily accessible vacant space/property register. Property Division will also be issuing a monthly vacant space bulletin to all bodies formally registered to e-PIMS.

The next steps include engagement with the Voluntary (3rd) sector to share property knowledge, with pilots already being established and the Further Education Sector.

An opportunity has arisen to examine how best to create a data pool of meeting room space availability.

Consider demand for a national IT system for asset management maintenance.

2. Support estates pilot projects aimed at accelerating activities at three levels: corporate asset rationalisation; local area collaboration; and opportunities from the use of surplus assets (see table below)
3. Exploit and enhance the NAWG guide to disposal and transfers within the public sector (February 2011) also known as the transfer protocol. Its primary aim is to assist with the simplification of an asset transfer within the public sector. Next steps include:
 - Identify budgeting /accounting issues and barriers that could arise from such transfers – this work is ongoing.
 - Detail the disposal powers and constraints of the various bodies.
4. Create a standard set of “heads of terms” which may be used for asset exchange between public organisations.

Procurement:

- Develop proposals for a National Procurement Service for common and repetitive spend;
- increase adoption and utilisation of xchangewales e-procurement tools;
- simplify and standardise procurement practice; and
- encourage greater use of collaborative procurement agreements;

Projects and key deliverables

Asset Management

Project	Deliverable	Timeframe
Embed e-PIMS	Embed e-Pims <i>lite</i> as a database coordination tool and vacant space register. Measured through take-up and activity.	March 2012
	Engage with the voluntary sector to pilot their active involvement in the database.	Dec 2011

	Scope and present options for meeting room database	March 2012
Driving forward the 9 Pilot Projects	Blaenau Gwent asset review. Implementation of new BGBC strategic assets plan, development of single area integrated assets plan, and the development of a more effective regeneration plan utilizing surplus assets. I2S bid expected £80k Oct 2011.	March 2013 ongoing
	Cardiff LSB asset review and ePIMs implementation Development of single area integrated assets plan, involving prudent lotting of surplus assets across whole public estate .Canton area pilot plan for 87 assets. I2S bid approved £35k	Dec 2011
	Carmarthenshire County Council local asset review. Implementation of ePIMs and single area assets plan identifying circa £40m surplus assets value.	Ongoing to 2018
	EA/CCW/FC Pan Wales co location Development of single organisation corporate assets plan (and piecemeal implementation) in advance of new roles. I2S bid potential in Dec 2011	March 2013
	Torfaen County Council relocation Implementation of TCC approved move to Pontypool, £15m repair liability savings.	In progress.
	Carmarthenshire County Council Llandovery joint service centre Development of local area single	

	asset plan, releasing surplus uses to new activity. Potential I2S bid (may not materialise).	
	<p>South Wales Police New Operational Hub</p> <p>Centralised /shared contact centre covering more than one force, approved and being implemented in Bridgend*. Shared fleet depot project at development stage with Bridgend CBC. I2S bid expected Nov 2011. Potential for reduced new build funding requirements estimated at £12m from release of surplus land.</p>	*In progress
	<p>Bridgend County Borough Council Waterton Framework Master Planning</p> <p>Development of integrated single site regeneration plan (public and private assets) I2S bid received £30k for 5 case business modelling. Shared fleet depot project with SWP</p>	Mar 2013
	<p>Flintshire single community service</p> <p>Development of local area single asset plan, releasing surplus assets to new activity. Multi level complex objectives.</p>	TBA
Land transfer protocol	Encourage use of Transfer Protocol and move forward with finance hurdles linked to wider additional guidance.	March 2012
Standard HOT's	Create standard documents or terms for transfers, partnering and asset sharing opportunities between public bodies.	On going

Procurement

Project description	Deliverables	Timeframe
Collaborative Procurement Vehicle & Capability		
National Procurement Service providing a stronger vehicle for common and repetitive spend to be bought 'once for Wales'.	Draft Outline Business Case available to Project Board	June 2012
	Decision on adoption made by each sector	End July 2012
	(subject to decision) Implementation plan agreed	End Sept 2012
Procurement Practice		
xchangewales adoption – taking time and cost out of the P2P process by providing common systems and e-tools across Wales.	Decision on adoption of e-trading made by each organisation in Wales.	June 2012
SQUID simplifying procurement by use of a common pre-qualification question set and risk based approach	Final common question set and guidance published	November 2011
	80% adoption milestone	March 2012
Standard Terms & Conditions simplifying procurement by use of one set of terms across the Welsh public sector.	Scoping assessment complete	Feb 2012
	Decision to develop single set	March 2012
	Local Government to develop and implement a set of standard Contract Procedure Rules.	June 2012
	Documents available	December 2012
Community Benefits – wider benefits from expenditure by clauses included in all LAs' major procurements (in excess of £2m) –	Launch outcome measurement Tool	Sept 2012
	60% adoption milestone	April 2012
Application		
Collaborative Procurement Programme – Keeping and growing savings derived from collaborative agreements	Full adoption of new IT hardware agreement Further milestones and projects to be identified through the year – including reference to social care collaboration	March 2012
Homegrown Talent –	Completion of 6-12 month	First report

delivering collaborative projects through trainee placements	placements supporting the delivery of new innovative procurement projects	Jan 2012
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Governance

The Chair of the Asset Management and Procurement work programme is Tracey Lee, Managing Director, Newport City Council.

This work plan has been agreed by the Public Service Leadership Group, chaired by the Minister for Local Government and Communities, Carl Sargeant AM. Value Wales support has been agreed by the Minister for Finance and Leader of the House. Reports on progress will be provided regularly to the PSLG, and the Chairs of the three national work programmes and regional collaboration will be accountable to the Minister for Local Government for progress against these agreed work plans. A measurement framework to help demonstrate and report the progress being made will be developed.

The collective political leadership for the reform agenda will be brought together under a reformed Partnership Council for Wales.

Two senior Welsh Government officials will support the Chair in respect of the two strands of the work programme:

- Sioned Evans (Deputy Director, Property Division); and
- Alison Standfast (Deputy Director, Value Wales).

Value Wales is a division of Welsh Government within the portfolio of the Minister for Finance and Leader of the House.

The Chairs of the regional boards and other national programmes will act as an informal joint steering group / sounding board for the workstream, ensuring clarity between regional and national direction. The workstream itself will have two Boards and membership is shown at Annex A.

Resources

The work programme will be supported in particular through bringing together resource from across the public service community in Wales. Recognising the collective agenda being pursued public service partners are not generally

expected to seek to recharge for the involvement of staff in this work, or for other support (e.g. hosting meetings), although formal secondments of experts to this work programme can be funded where appropriate.

This resource from across the public service can be supplemented where necessary by specialist work commissioned externally, subject to the normal Welsh Government controls on consultancy. Other costs (for example, meeting costs if it is impossible to secure a meeting room within the public service community) may also be supported.

A work programme co-ordinator will assist the two Leads in supporting the Chair of the work programme.

There are a number of significant other sources of funding – for example, Invest to Save – that could support the delivery of specific projects.

Links/Dependencies

This work-stream supports the implementation of the Local Government Compact covering the Simpson Review, Sustainable Social Services and Educational reform and will work closely with the PSLG Regional Boards. It also supports delivery of 'Economic Renewal – a new direction' driven through the Council for Economic Renewal.

▪ **Annex A Membership of groups**

Asset Management - under review

Name	Role

Procurement

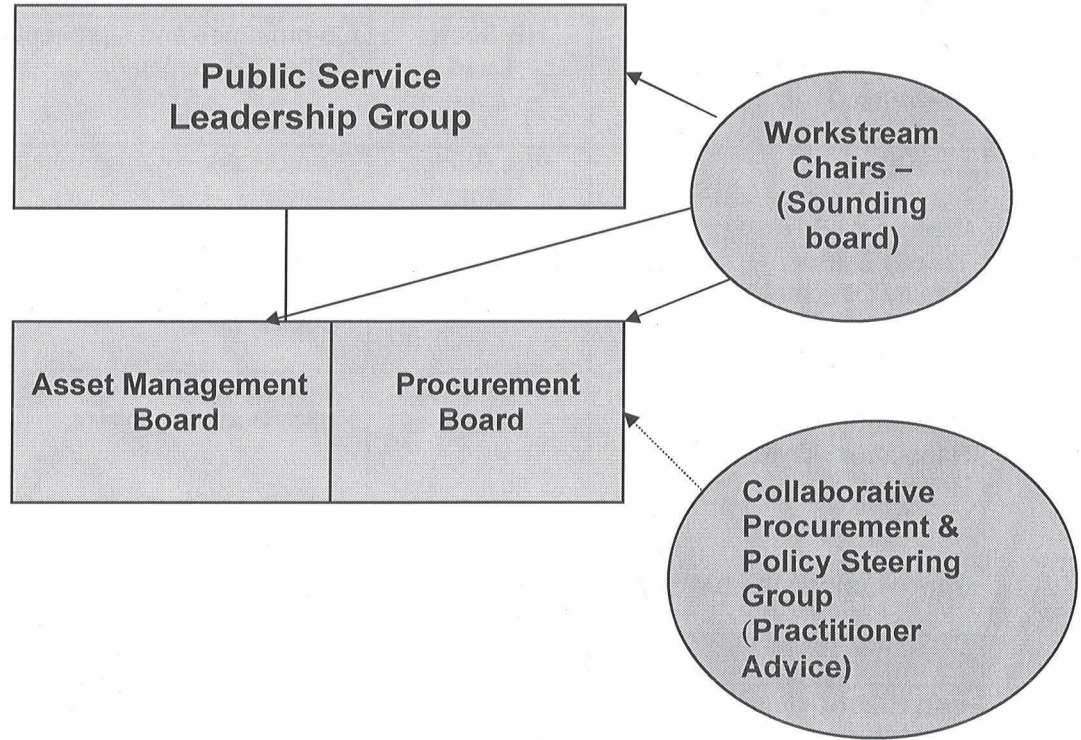
Name	Role	Responsibility
Tracey Lee MD Newport City Council & SOLACE member	Chair	Overall accountability for the implementation of the recommendations for the workstream. Co-ordinates view of Local Authority CEOs through SOLACE
Alison Standfast Deputy Director Value Wales	Programme Lead	Responsible to the Chair – for implementation of the work-stream
Catherine Weller Project Lead – Value Wales	Project Lead	Responsible to the Programme Lead for co-ordination of work-stream deliverables and individual projects within work-stream
Hannah Miles Value Wales	Secretariat	Provides administrative support to Board members
Kerry Wilson Head of Procurement – Value Wales	Procurement Specialist	Represents WG procurement and as Chair of CPSG represents procurement practitioner views with linkage to National Sourcing Strategy
Vanessa Phillips Director of Resources – WLGA	WLGA Sector Lead	Co-ordinates and represents views of Local Authorities in support of Chair
Roger Jones Director of Resources, Carmarthenshire Council	Finance Specialist	Co-ordinates and represents views of Society of Welsh Treasurers.
Neil Frow Director - NHS Shared Service	NHS Sector Lead	Co-ordinates and represents the views of the NHS LHBs and provides formal linkage into NHS Shared Service Partnership.
Jo Jordan Director Corporate Services	DHSSC Policy Lead	Co-ordinates and represents views of DHSS – NHS policy and development lead

& partnership		
Mark Jones Principal of Bridgend College and senior vice chair at ColegauCymru	FE Sector Lead	Co-ordinates and represents views of Further Education
Denis Jones Pro Vice-Chancellor (Resource Planning) and Director of Finance.	HE Sector Lead	Co-ordinates and represents views of Higher Education
Liz Aitken Finance Director Mid & West Wales Fire & Rescue Service	Fire Sector Lead	Co-ordinates and represents views of Fire Service
Tracey Burke Deputy Director of Operations, Department for the Economy and Transport	BETS Policy Lead	Co-ordinates and represents view of BETS stakeholders and links to Procurement Supplier Board
Andrew Bevan Director of Finance & Resources - Dyfed-Powys Police	Police Sector Lead	Co-ordinated and represents views of all 4 Police Bodies in Wales

The following are observers/optional attendees

Name	Role	Responsibility
Reg Kilpatrick / Piers Bisson Director / Deputy Director, Public Service Improvement	Link to PSLG Board	Alignment to PSLG Board
Jeremy Morgan Wales Audit Office	Advisory	Advisory capacity / assurance
Nick Sullivan Head of Policy and Capability Value Wales	Specialist Category Knowledge	Linkage to Category Management, SQuID and xchangewales
Allan Garley Regional Secretary - TUC	Advisory	Co-ordinated and represents view of Trade Unions

Fig 1 illustrates the reporting structure to the PSLG



Effective Services for Vulnerable Groups – Work Programme Plan

Objectives

This work programme will identify, promote and support the development of collaborative approaches to delivery that will provide more effective and efficient services which can improve the life chances of vulnerable people and groups.

Specific objectives are set out below:

- Focus on deep rooted delivery challenges that have a high cost in both human and financial terms;
- Identify innovative solutions and effective practical actions where there is a proven positive impact on outcomes and budgets;
- Direct and support the implementation of new and proven approaches where appropriate;
- Engage with public service partners to disseminate these effective, high impact, practices and encourage their adoption across Wales; and
- Constructively challenge slow or weak adoption where necessary to achieve high and fast impact

Operating approach

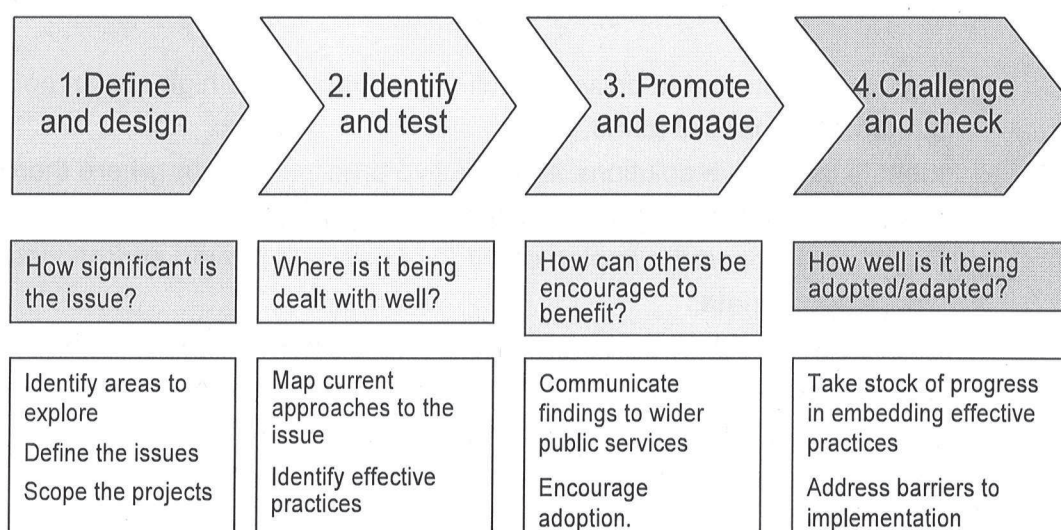
The programme will focus on a limited number of issues at a time, prioritising those that have been identified by the wider public service in Wales as having most impact and of benefit locally. Projects will seek to establish the financial benefits of new approaches as well as service improvements.

Each project will look at how organisations across Wales and beyond are approaching the issue and identify effective practices which could be adopted elsewhere in Wales. The work will be sponsored by Chief Executives of service delivery organisations, with the endorsement and support of relevant government departments. Champions will be identified for each project from the community of public service leaders to ensure that this key group is fully engaged.

Once effective practices have been identified the programme will communicate the findings to wider public services with the aim of raising awareness and increasing the scale and pace of adoption of relevant elements.

There will be an ongoing role for the programme, and the Public Service Leadership Group, in ensuring that effective practices are adopted, addressing barriers to their implementation, and providing challenge where needed.

A diagram showing the operating approach is below:



Projects and key deliverables

The programme builds on the work undertaken under Efficiency and Innovation with a small number of new areas to explore sitting alongside existing activity in a 'pipeline' of projects moving through the different phases in the operating approach.

A diagram summarising the projects within the programme and showing their position in this pipeline is attached at Annex A.

Views were sought from across the public service in Wales on the delivery challenges the programme should focus on going forward.

The following areas have been identified as priority areas to explore:

Project	Deliverables	Timeframe	Status
<p>Encouraging improved practices in the way public services respond to and prevent repeat incidents of domestic abuse (10,000 safer lives project)</p> <p>Public service leadership champion: Keith Griffiths</p> <p>Project sponsor: Jan Pickles</p>	<p>Deliver six regional workshops across Wales</p> <p>Identify set of key actions / minimum standards for domestic abuse service delivery in Wales</p> <p>Support implementation/roll out of key actions following publication of final 10,000 Safer Lives Report</p>	<p>Jan 2012</p> <p>Feb 2012</p> <p>March 2012</p>	<p>Already being supported, project underway</p>
<p>Doing more to protect vulnerable children and young adults who repeatedly go missing</p> <p>Public service leadership champion: tbc</p> <p>Project sponsor: Jeff Farrar</p>	<p>Consider Business Case for collaborative preventative model</p> <p>Support implementation of new and improved approaches in Gwent</p> <p>Evaluate effectiveness of new approach and identify transferable effective practices</p> <p>Encourage wider adoption across Wales</p>	<p>Feb 2012</p> <p>Subsequent timescales dependent on outcome of business case</p>	<p>Already being supported, project underway</p>
<p>Addressing service delivery challenges</p>	<p>Define issue, scope and initiate project</p>	<p>Feb 2012</p>	<p>New issue raised through</p>

<p>around Substance Misuse (including alcohol) and its relationship with mental health problems</p> <p>Public service leadership champion: tbc</p> <p>Project sponsor: Tbc</p>			<p>recent consultation</p>
<p>Promoting 'citizen directed support' models of service delivery which enable people to be in control of the support they need to live the life they choose</p> <p>Public service leadership champion: Graham Benfield</p> <p>Project sponsor: Constance Adams</p>	<p>Define issue, with an initial focus on adults with learning disabilities. Scope and initiate project</p>	<p>Feb 2012</p>	<p>New issue raised through recent consultation</p>

As the programme develops and projects move through the pipeline there will be potential to take on new areas, for example around the key role that housing often plays in services to vulnerable groups.

The programme will also seek to maintain momentum, and follow up on, the work already underway:

Project	Deliverables	Timeframe
<p>Integrated approaches to promoting independent living and wellbeing for the frail and elderly</p> <p>Public service leadership champion: tbc</p> <p>Project sponsor: Abigail Harris</p>	<p>Continue to promote the range of different examples of integrated services, developing a plan to encourage widespread adoption of the common effective practices identified</p> <p>Strengthen the ability of the public service to assess the impact of integrated working practices through a Knowledge Transfer Partnership or alternative approach</p> <p>Undertake a follow-on piece of work establishing where re-ablement services are currently being delivered in Wales and identifying approaches which are proving successful</p> <p>Explore approaches to supporting frail and elderly people in their own homes, addressing the issue of social isolation</p>	
<p>Different 'team around the family' approaches in Wales</p> <p>Public service leadership champion: Keith Griffiths</p> <p>Project sponsor: Keith Griffiths</p>	<p>Pilot the family savings cost calculator tool, as a way of demonstrating the financial costs and benefits of integrated interventions</p> <p>Support the embedding of team round family approaches through the Families First and Integrated Family Support Services programmes, helping to maintain momentum amongst service delivery organisations</p>	<p>May 2012</p> <p>Ongoing</p>
<p>Swansea and Wrexham's multi-</p>	<p>Ensure that the broader implications of the study for policy and practice are</p>	<p>Spring 2012</p>

<p>agency approaches to increasing the proportion of young people in education, employment or training</p> <p>Public service leadership champion: Helen Paterson</p> <p>Project sponsor: Helen Paterson</p>	<p>considered within the context of the refocusing of resources on the most effective interventions</p> <p>Target promotion of the effective practices identified, and further understanding of them, on areas with a high proportion and/or have declared NEETs as a priority for their Local Service Board</p>	<p>Ongoing</p>
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Governance

The Chair of the Effective Services for Vulnerable Groups work programme is Andrew Goodall, Chief Executive, Aneurin Bevan Health Board.

This work plan has been agreed by the Public Service Leadership Group, chaired by the Minister for Local Government and Communities, Carl Sargeant AM. Reports on progress will be provided regularly to the Public Service Leadership Group, and the Chairs of the three national work programmes and regional collaboration will be accountable to the Minister for Local Government for progress against these agreed work plans. A measurement framework to help demonstrate and report the progress being made will be developed.

The collective political leadership for the reform agenda will be brought together under a reformed Partnership Council for Wales.

The Chair will be supported by a small Delivery Board comprising of the Chief Executives and Directors that are leading projects, to ensure the projects stay on track and deliver the anticipated benefits.

Senior representatives from the Welsh Government will also sit on the Board to make the connection with national policies and programmes and support the implementation of the effective practices identified.

Current membership, which is drawn from across the public service in Wales including the Third Sector, is attached at Annex B.

The programme will be informed by an informal reference community which will assist in the development of the work programme, provide constructive challenge to the projects, and help disseminate the findings.

Local Service Boards will play a vital role in ensuring that the good practices identified through the programme are effectively disseminated and encouraging adoption of successes identified as appropriate. Innovations at a local level will also be highlighted and shared at a national level through the programme as a means of showcasing success.

Resources

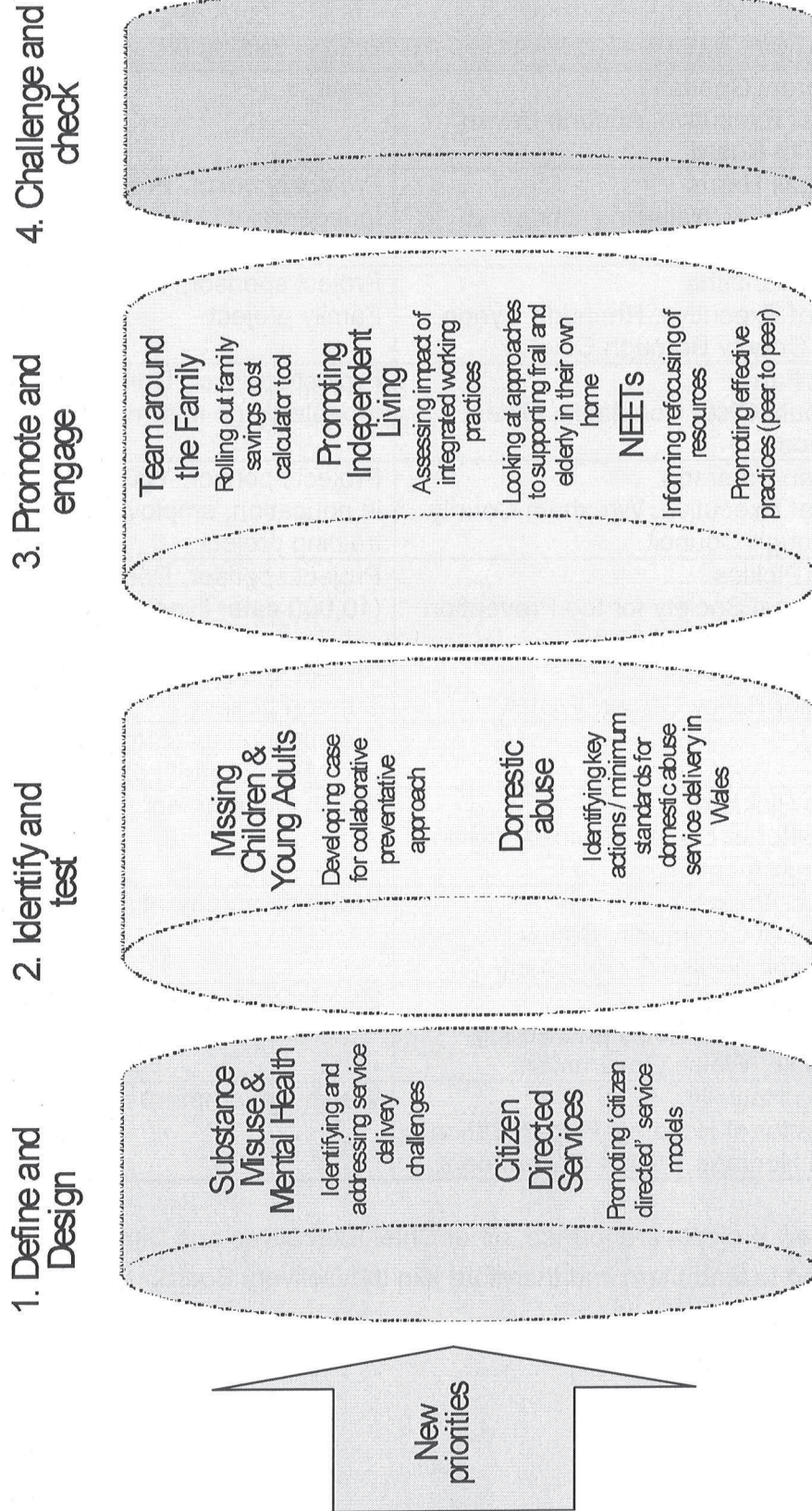
The work programme will be supported through bringing together resource from across the public service community in Wales. Recognising the collective agenda being pursued public service partners are not generally expected to seek to recharge for the involvement of staff in this work, or for other support (e.g. hosting meetings), although formal secondments of experts to this work programme can be funded where appropriate.

This resource from across the public service can be supplemented where necessary by specialist work commissioned externally, subject to the normal Welsh Government controls on consultancy. Other costs (for example, meeting costs if it is impossible to secure a meeting room within the public service community) may also be supported.

A work programme lead will support the Chair of the work programme, with a core enabling team supplemented by project based staff as needs arise.

There are a number of significant other sources of funding – for example, the European Social Fund (ESF), the Invest to Save Fund and the BIG Lottery Fund – that could support the delivery of specific projects.

Annex A Project Pipeline



Annex B Membership of groups

Delivery Board

Name	Role
Andrew Goodall Chief Executive, Aneurin Bevan Health Board	Chair
Abigail Harris Director of Wellbeing, Bridgend County Council	Project sponsor, Promoting Independent Living project
Keith Griffiths Chief Executive, Rhondda Cynon Taf County Borough Council	Project sponsor, Team around the Family project
Jeff Farrar Deputy Chief Constable, Gwent Police	Project sponsor, Children who repeatedly go missing project
Helen Paterson Chief Executive, Wrexham County Borough Council	Project sponsor, Young people not in education, employment or training project
Jan Pickles National Society for the Prevention of Cruelty to Children	Project sponsor, Domestic abuse (10,000 safer lives) project
Constance Adams Senior Policy Officer, WCVA	Project sponsor, Citizen Directed Support project
[tbc]	Project sponsor, Substance Misuse and Mental Health project
Rob Pickford Director of Social Services, Welsh Government	Welsh Government representative
Karin Phillips Head of Community Safety Division, Welsh Government	Welsh Government representative
Chris Tweedale Director of Schools and Young People, Welsh Government	Welsh Government representative
John Howells Director of Housing, Regeneration and Heritage, Welsh Government	Welsh Government representative

As new projects are formed, other Chief Executives and Directors will be invited to lead them and therefore join the Delivery Board.

Finance Committee

Meeting Venue: **Committee Room 2 – Senedd**

Meeting date: **Wednesday, 25 January 2012**

Meeting time: **09:00 – 12:30**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



This meeting can be viewed on Senedd TV at:
<http://www.senedd.tv/archiveplayer.jsf>

Concise Minutes:

Assembly Members:

Jocelyn Davies (Chair)
Peter Black
Christine Chapman
Paul Davies
Mike Hedges
Julie Morgan
Ieuan Wyn Jones

Witnesses:

Neville Davies, Welsh Local Government Association
Lowri Gwilym, Welsh Local Government Association
David Evans, Director of Finance, Pembrokeshire College
Judith Evans, Principal, Coleg Morgannwg
Nicky Howells, External Funding Manager, Pembrokeshire College
Karen Phillips, Deputy Principal, Coleg Morgannwg
Marc Vermyle, DG Employment, European Commission
Agnes Linemans, DG Regional Policy

Committee Staff:

Naomi Stocks (Clerk)
Daniel Collier (Deputy Clerk)
Martin Jennings (Researcher)
Eleanor Roy (Researcher)
Susan Morgan (Legal Advisor)
Ben Stokes (Researcher)

1. Introductions, apologies and substitutions

- 1.1 The Chair welcomed Members and members of the public to the meeting.
- 1.2 Apologies had been received from Ann Jones.

1.3 Mike Hedges declared an interest as a former employee of Coleg Morgannwg.

2. The Effectiveness of European Structural Funding in Wales – DG Regional Policy and DG Employment

2.1 The Chair welcomed Guy Flament, DG Regional Policy, European Commission; Agnes Lindemans, DG Regional Policy; and Marc Vermyle, DG Employment to the Committee meeting via video conference.

2.2 Members questioned the witnesses.

Action points:

- DG Regional Policy agreed to provide verification of their evidence which stated that Wales's economy is highly reliant on the public sector.
- DG Employment agreed to provide information on the use of higher intervention rates to support new projects in Wales since 2009.

3. The Effectiveness of European Structural Funding in Wales – Welsh Local Government Association

3.1 The Chair welcomed Lowri Gwilym, Team Manager, Europe and Regeneration, WLGA; and Neville Davies, WLGA European Adviser and Head of European Policy and External Funding, Carmarthenshire County Council.

3.2 Members questioned the witnesses.

Action point:

- The WLGA agreed to provide details of how many local government-led projects in Wales have utilised higher intervention rates.

4. The Effectiveness of European Structural Funding in Wales – Pembrokeshire College and Coleg Morgannwg

4.1 The Committee welcomed Nicky Howells, External Funding Manager, Pembrokeshire College; David Evans, Director of Finance, Pembrokeshire College; Judith Evans, Principle, Coleg Morgannwg; and Karen Phillips, Deputy Principle, Coleg Morgannwg.

4.2 The Committee questioned the witnesses.

5. The Effectiveness of European Structural Funding in Wales – Programme Monitoring Committee

5.1 The Committee welcomed Dr Mark Drakeford, Chair of the Programme Monitoring Committee.

5.2 The Committee questioned the witness.

6. Papers to note

6.1 The Committee noted the letter from the Minister for Finance regarding the Welsh Government budget 2012–2013.

6.2 The Committee noted the letter from the Permanent Secretary regarding the Welsh Government budget 2012–2013.

6.3 The Committee ratified the minutes of the previous meeting.

7. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

8. Inquiry into Prudential borrowing and innovative approaches to capital funding – suggested terms of reference and related background briefing

8.1 The Committee discussed its inquiry into prudential borrowing and innovative approaches to capital funding.

9. Draft Budget Protocol with the Welsh Government

9.1 The Committee discussed its draft budget protocol with the Welsh Government.

Jane Hutt AC / AM
Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref: SF/JH/0733/12

Jocelyn Davies AM,
Chair, Finance Committee,
The National Assembly for Wales,
Cardiff Bay,
Cardiff
CF99 1NA

28 February 2012

Dear Jocelyn

Further to my letter of 22 February I am now in a position to provide you with the additional information as agreed at Finance Committee on 20 February regarding the Second Supplementary Budget 2011-12.

The Committee requested 'a note highlighting the reconciliation of the Education and Skills MEG against the structure in the draft budget, reflecting the changes in the current supplementary budget'.

The reconciliation requested is provided at Annex A. The reconciliation also provides details of the recurrent transfers within the MEG, including whether the implications for future years have been reflected in the Final Budget 2012-13.

The Committee also asked for 'further details on the Invest-to-Save fund, including clarification on which financial year the additional £10 million of Invest-to-Save funding (announced by the Minister in December 2011) would be allocated toward'.

The allocation of the £10.06 million by project and financial year is shown below:

	2011-12 £000s	2012-13 £000s	2013-14 £000s
Project			
Environmental Management		2,549	476
Blaenau Gwent - workplace		380	
Hywel Dda LHB – e-Rostering	69	186	
NHS Wales – Voluntary Early Release Scheme	4,600	1,800	
Totals	4,669	4,915	476

In addition, the Committee requested 'a list of all award and repayment profiles made within the Invest-to-Save Fund'.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence: Jane.Hutt@wales.gsi.gov.uk
Printed on 100% recycled paper

I attach a schedule at Annex B providing details of Invest-to-Save awards made to date shown by funding rounds and financial years, together with matching repayment details. I have previously published project details of all Invest-to-Save awards made prior to my December announcement in Investing-to-Save, which is available on the Welsh Government's website at:

<http://wales.gov.uk/topics/improvingservices/bettervfm/i2savefund/;jsessionid=QL1ZPHyfMIyy1CyG3TFttRhvgWGqGKxGrCSFTQFM7ZDVHzzHTY51!1586879804?lang=en>

During the meeting there was also discussion around the level of consequentials received by the Welsh Government in the Autumn Statement. As I said at the meeting, the total level of consequentials we have received over the next three financial years is £216 million capital and £21.5 million resource. The table below provides an annual breakdown of the consequentials received and accords with the statement made by the Secretary of State for Wales in the House of Commons debate on 18 January.

	2012-13 £000s	2013-14 £000s	2014-15 £000s	Total over 3 years £000s
Total Capital DEL	38,714	81,029	96,516	216,259
Total Resource DEL	26,252	-542	-4,208	21,502

Finally, in terms of your request for information on the Wales Economic Growth Fund and the Legacy Single Investment Fund, the Minister for Business, Enterprise, Technology and Science will write to you separately with details.

I hope you find this letter helpful.

Bert wishes,
Jane

Jane Hutt AC / AM

**Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House**

EDUCATION AND SKILLS MAIN EXPENDITURE GROUP								
REVENUE BUDGET - Departmental Expenditure Limit (DEL)								£000's
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	COMMENTS
Education and Training Standards	Literacy and numeracy	9,353	-5,841	0	0	0	3,512	Formerly 'Basic Skills'. Recurrent transfer in of £2,259k from 'Access Opportunities', actioned for future years at Draft Budget. Recurrent transfer out of £7,000k to 'Education Standards', actioned for future years at Draft Budget. Recurrent transfer out of £1,100k to 'Employability of the Workforce', actioned for future years at Draft Budget.
	Curriculum	121,562	-2,656	0	0	0	118,906	Formerly 'Curriculum and Assessment (incl. Foundation Phase)' plus part of 'Children and Young People's Strategy'.
	Teaching and leadership	20,218	-2,118	0	0	0	18,100	Formerly 'Learning Improvement and Professional Development'.
	Qualifications	15,304	-6,821	0	0	0	8,483	Formerly 'Qualifications and Learning'. Recurrent transfer out of £4,700k to 'Post-16 Education' - not actioned at Draft Budget. Future years will be actioned as in-year allocations or at Draft Budget 2013-14.
	Post-16 education	542,376	-1,271	0	0	0	541,105	Formerly part of 'Lifelong Learning and Providers'. Recurrent transfer in of £4,700k from 'Qualifications' - not actioned at Draft Budget. Future years will be actioned as in-year allocations or at Draft Budget 2013-14.
	Higher education	394,479	-3,988	1,834	0	0	392,325	
	Education Structures	3,943	-500	0	0	0	3,443	Formerly part of 'Lifelong Learning and Providers'.
	Educational Standards	22,600	10,388	65	0	0	33,053	Formerly 'School Leadership and Effectiveness'. Recurrent transfer in of £7,000k from 'Literacy and Numeracy', actioned for future years at Draft Budget.
	ICT & Information Management Systems	7,655	0	0	0	0	7,655	Formerly part of 'Knowledge Management'.
Total Education and Training Standards		1,137,490	-12,807	1,899	0	0	1,126,582	
Skilled Workforce	Skills in the workplace	25,952	-675	0	0	0	25,277	Formerly part of 'Business and Skills' plus part of 'Student Finance and Funding'.
	Employability of the workforce	6,433	6,660	0	650	0	13,743	Formerly part of 'Business and Skills'. Recurrent transfer in of £1,100k from 'Literacy and Numeracy', actioned for future years at Draft Budget.
	Educational and careers choice	38,000	0	0	0	0	38,000	Formerly part of 'Lifelong Learning and Providers'.
Total Skilled Workforce		70,385	5,985	0	650	0	77,020	
Economic & Social Wellbeing & Reducing Inequality	Access opportunities	7,229	-2,352	0	0	0	4,877	Formerly part of 'Children and Young People's Strategy'. Recurrent transfer out of £2,259k to Literacy and Numeracy, actioned for future years at Draft Budget.
	Wellbeing of children and young people	60,590	4,463	-210	0	0	64,843	Formerly part of 'Support for Learners'.
	Post-16 learner support	311,281	7,300	0	25,600	0	344,181	Formerly part of 'Student Finance and Funding'.
	Pupil engagement	11,658	-150	0	0	0	11,508	Formerly part of 'Support for Learners'.
Total Wellbeing		390,758	9,261	-210	25,600	0	425,409	
Welsh Language	Welsh learning	12,377	-962	0	0	0	11,415	Formerly 'Welsh Language Development'.
	Welsh Language	13,878	0	0	0	0	13,878	Formerly 'Welsh Language Board'.
Total Welsh Language		26,255	-962	0	0	0	25,293	
Delivery Support	Delivery support	5,313	-1,477	0	0	0	3,836	Formerly 'Strategic Projects' and part of 'Knowledge Management'.
Total Delivery Support		5,313	-1,477	0	0	0	3,836	
Total Revenue DEL - Education and Skills		1,630,201	0	1,689	26,250	0	1,658,140	

CAPITAL BUDGET - Departmental Expenditure Limit (DEL)								£000's	£000's	
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	COMMENTS		
Educational Standards	Estate and IT provision	169,923	0	0	35,060	0	204,983	Formerly part of 'Capital Funding'.		
	Total Raising Standards	169,923	0	0	35,060	0	204,983			
Welsh Language	Welsh Language Board	50	0	0	0	0	50	Formerly part of 'Capital Funding'.		
	Total Welsh Language	50	0	0	0	0	50			
	Total Capital DEL - Education and Skills	169,973	0	0	35,060	0	205,033			

REVENUE BUDGET - Annually Managed Expenditure (AME)								£000's	£000's	
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	COMMENTS		
Economic & Social Wellbeing & Reducing Inequality	Post-16 learner support	-115,649	0	0	0	2,004	-113,645	Formerly 'Student Finance and Funding - Revenue'		
	Total Support for Wellbeing	-115,649	0	0	0	2,004	-113,645			
	Total Revenue AME - Education and Skills	-115,649	0	0	0	2,004	-113,645			

CAPITAL BUDGET - Annually Managed Expenditure (AME)								£000's	£000's	
SPA	Actions	2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	COMMENTS		
Economic & Social Wellbeing & Reducing Inequality	Post-16 learner support	240,951	0	0	0	-7,908	233,043	Formerly 'Student Finance and Funding - Capital'		
	Total Support for Wellbeing	240,951	0	0	0	-7,908	233,043			
	Total Capital AME - Education and Skills	240,951	0	0	0	-7,908	233,043			

Education and Skills - Summary								£000's	£000's	
		2011-12 Supplementary Budget Plans June 2011	2011-12 Transfers within MEG	2011-12 MEG to MEG Transfers	2011-12 Allocations to / from Reserves	2011-12 AME Changes	2011-12 Supplementary Budget New Plans February 2012	COMMENTS		
	Revenue DEL	1,630,201	0	1,689	26,250	0	1,658,140			
	Capital DEL	169,973	0	0	35,060	0	205,033			
	Total DEL	1,800,174	0	1,689	61,310	0	1,863,173			
	Revenue AME	-115,649	0	0	0	2,004	-113,645			
	Capital AME	240,951	0	0	0	-7,908	233,043			
	Total AME	125,302	0	0	0	-5,904	119,398			
	Total Education and Skills	1,925,476	0	1,689	61,310	-5,904	1,982,571			

Invest-to-Save Fund - Summary of Investments & Repayments (at February 2012*)

		2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	Total Out £'000	Total In £'000
Round I (tranche 1)	Investments	5,028	2,060	130	0	0	0	0	0	0	0	7,218	
	Repayments	0	-622	-2,598	-1,413	-1,405	-880	-300	0	0	0		-7,218
Round I (tranche 2)	Investments	3,162	0	0	0	0	0	0	0	0	0	3,162	
	Repayments		-96	-625	-992	-919	-315	-215	0	0	0		-3,162
Round II (tranche 1)	Investments	0	926	0	0	0	0	0	0	0	0	926	
	Repayments	0	0	-600	-175	-151	0	0	0	0	0		-926
Round II (tranche 2)	Investments	0	11,973	2,471	2,289	0	0	0	0	0	0	16,733	
	Repayments	0	0	-1,613	-4,679	-3,966	-2,037	-1,500	-1,500	-1,438	0		-16,733
Round III	Investments	0	5,115	0	180	0	0	0	0	0	0	5,295	
	Repayments	0	0	-3,005	-1,431	-679	-180	0	0	0	0		-5,295
Round IV	Investments	0	0	4,376	1,440	211	0	0	0	0	0	6,027	
	Repayments	0	0	0	-589	-1,457	-1,402	-1,020	-520	-520	-519		-6,027
Round V	Investments	0	0	4,669	4,915	476	0	0	0	0	0	10,060	
	Repayments	0	0	0	0	-6,778	-1,769	-1,513	0	0	0		-10,060
Investments		8,190	20,074	11,646	8,824	687	0	0	0	0	0	49,421	
Repayments		0	-718	-8,441	-9,279	-15,355	-6,583	-4,548	-2,020	-1,958	-519		-49,421

* The table reflects the current position concerning investment and repayment profiles where funding has been provided to approved projects.

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