

## **National Assembly for Wales**

### **Draft Budget Proposals 2012-13 November 2011**

This paper is intended to inform scrutiny of the Welsh Government's Draft Budget Proposals 2012-13. It provides an overview of the spending plans for 2012-13 and how these compare to 2011-12. It also examines the cumulative changes over the budget period (2011-12 to 2014-15). It sets the economic context of the draft budget by looking at recent economic forecasts and how these compare to last year.

Finally, it provides commentary on the major changes in each of the portfolio areas, including transfers and additional allocations, showing further analysis and taking a different approach to that provided by the Welsh Government's published documents.

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**Enquiry no:** 11/2179

## **National Assembly for Wales**

Draft Budget Proposals 2012-13  
November 2011

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Paper number: 11/063



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## **Outline of paper**

This paper provides an overview of the Welsh Government's Draft Budget Proposals 2012-13, as laid before the National Assembly for Wales on 4 October 2011.

Although the Draft Budget 2012-13 presents plans for the financial years 2012-13 and indicative allocations for the years 2013-14 and 2014-15, this paper focuses mainly on the 2012-13 allocations, as indicative plans are subject to significant change. Cumulative changes over the entire budget period are also shown.

Sections 1 and 2 introduce the draft budget and provide some context in terms of the economic climate.

Section 3 provides an overview of the headline figures within the Welsh block.

Sections 4 to 10 deal with each portfolio area and provides headline figures, details of additional allocations and significant changes within each area.



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## 1. Draft Budget Proposals 2012-13

The Minister for Finance and Leader of the House, Jane Hutt AM, laid the Welsh Government's Draft Budget Proposals 2012-13<sup>1</sup> before the National Assembly on 4 October 2011. These were accompanied by a narrative document,<sup>2</sup> expenditure allocation tables<sup>3</sup> and an oral statement.<sup>4</sup>

The Welsh Government which took office following the May 2011 Assembly election has now set out its Programme for Government,<sup>5</sup> and the Draft Budget 2012-13 states that:

The Programme for Government clarifies the outcomes we are seeking for Wales and the steps we will take to make our vision a reality. These spending plans outline how we will align our budgets to those objectives and deliver for the people of Wales.<sup>6</sup>

**Note that all real terms calculations shown in this paper have been calculated using HM Treasury's GDP deflators<sup>1</sup> (as at June 2011). The estimates used are: 2.5% for 2012-13 and 2.7% for both 2013-14 and 2014-15.**

It is important when looking at the overall spending power of the Welsh Government, to consider whether the GDP deflator forecasts adequately represent the cost pressures on the public sector, which may be more influenced by wage and contractor costs.

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<sup>1</sup> Welsh Government, [Draft Budget Proposals 2012-13](#), October 2011 [accessed 21 October 2011]

<sup>2</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 [accessed 21 October 2011]

<sup>3</sup> Welsh government, [Draft Budget 2012-13 expenditure allocations](#), October 2011 [accessed 21 October 2011]

<sup>4</sup> Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), [Draft Budget](#), Cabinet oral Statement, 4 October 2011 [accessed 21 October 2011]

<sup>5</sup> Welsh Government, [Programme for Government](#), September 2011 [accessed 21 October 2011]

<sup>6</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page i) [accessed 21 October 2011]

## 2. Changing times: the economic context to Draft Budget 2012-13

The Comprehensive Spending Review 2010 (CSR 2010)<sup>7</sup> announced a period of unprecedented restraint in the public finances in order to reduce the UK's budget deficit. The impact on the departmental expenditure limits (DEL)<sup>8</sup> in the Welsh block at the time of the CSR 2010 was forecast to be a cumulative reduction of £1.9 billion in real terms over the spending review period (2010-11 to 2014-15). Subsequent changes, as a result of the UK Budget 2011<sup>9</sup> and revised inflation forecasts, mean that at the current time the **Welsh block is predicted to see a cumulative reduction of £2.1 billion** over this period. Revised figures for the DEL elements of the Welsh block are shown in [table 1](#), and the real terms changes in [table 2](#).

**Table 1: Revenue and capital DEL forecasts, 2010-11 to 2014-15 (cash terms)**

	<i>£ billions</i>				
	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue DEL	13.4	13.3	13.4	13.5	13.5
Capital DEL	1.8	1.3	1.2	1.1	1.1
<b>Total DEL</b>	<b>15.2</b>	<b>14.6</b>	<b>14.6</b>	<b>14.6</b>	<b>14.6</b>

Source: HM Treasury's Budget 2011 (Table 2.4)

Revenue DEL is shown excluding non-cash ring-fenced depreciation.

**Table 2: Real terms year on year change to revenue and capital DEL forecasts**

	2010-11 to 2011-12		2011-12 to 2012-13		2012-13 to 2013-14		2013-14 to 2014-15		Cumulative change 2010-11 to 2014-15		Cumulative change 2011-12 to 2014-15	
	<i>£ billions</i>	<i>per cent</i>	<i>£ billions</i>	<i>per cent</i>	<i>£ billions</i>	<i>per cent</i>	<i>£ billions</i>	<i>per cent</i>	<i>£ billions</i>	<i>per cent</i>	<i>£ billions</i>	<i>per cent</i>
Revenue DEL	-0.5	-3.5	-0.2	-1.7	-0.3	-1.9	-0.4	-2.6	-1.3	-9.4	-0.8	-6.1
Capital DEL	-0.5	-29.8	-0.1	-9.9	-0.1	-10.7	0.0	-2.6	-0.8	-45.1	-0.3	-21.7
<b>Total DEL</b>	<b>-1.0</b>	<b>-6.7</b>	<b>-0.4</b>	<b>-2.4</b>	<b>-0.4</b>	<b>-2.6</b>	<b>-0.4</b>	<b>-2.6</b>	<b>-2.1</b>	<b>-13.7</b>	<b>-1.1</b>	<b>-7.5</b>

Source: Research Service calculations from HM Treasury's Budget 2011 (Table 2.4)

Revenue DEL is shown excluding non-cash ring-fenced depreciation.

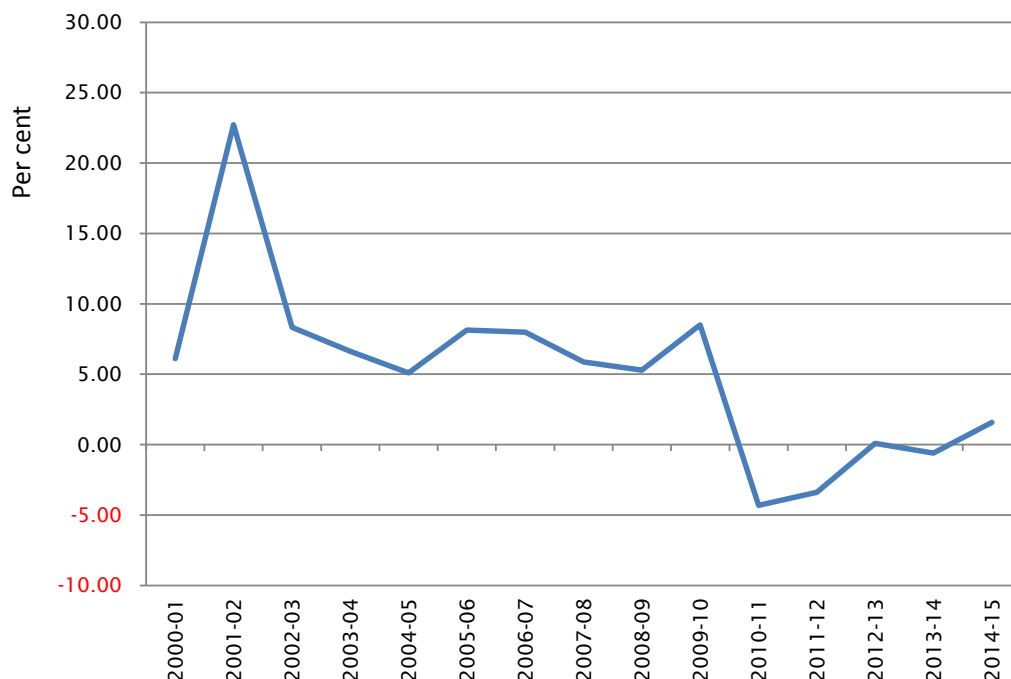
<sup>7</sup> HM Treasury, [Spending Review 2010](#), October 2010 [accessed 21 October 2011]

<sup>8</sup> **Departmental expenditure limit (DEL)** - normally set over three or four years as part of the UK Government's Spending Review process, this is the multi-year budget limit for the Welsh Government. Most of the DEL is unhypothecated (the assigned budget, or block grant) and allows the Welsh Government full discretion over its spending priorities. Changes in provision for such spend are determined by the Barnett formula.

<sup>9</sup> HM Treasury, [Budget 2011](#), March 2011 [accessed 21 October 2011]

**Figure 1** shows the real terms change in the total managed expenditure (TME)<sup>10</sup> within the Welsh block over time, demonstrating the severity of the reductions to the block since the 2009-10 financial year and the impact of the reductions to public spending.

**Figure 1: Percentage change in the Welsh block 1999-2000 to 2014-15 in real terms, (1999-2000 as reference year)**



Source: Research Service calculations from Welsh Government Budgets.

The 2011-12 budget round was presented against the backdrop of the spending review and the reductions to the Welsh block. At this time, the economy had begun to show signs of recovering from the downturn. GDP growth was stronger than expected and the Office for Budget Responsibility (OBR) had revised its forecasts upwards.<sup>11</sup> In the medium term, inflation was expected to remain around its 2 per cent target level (CPI), partially due to the increase in VAT. Overall, it was expected that the economy would recover from the recession, but at a relatively slow pace.

However, during 2011 economic growth has been hindered to some extent by global events, including oil price shocks, the earthquake in Japan and the sovereign debt crisis in the Euro zone. These factors, in combination with austerity measures in place in many European countries have led to forecasts

<sup>10</sup> **Total managed expenditure (TME)** - the combined total of the two budget elements annually managed expenditure (AME) and departmental expenditure limits (DEL).

<sup>11</sup> Office for Budget Responsibility, *Economic and Fiscal Outlook*, March 2011. This publication is due to be updated in November 2011. [accessed 21 October 2011]

being revised. Consequently, the 2012-13 draft budget is presented against a climate of increasing economic uncertainty, amid speculation of a worsening economic picture and fears of further recession.

The following sections discuss the changing forecasts relating to economic growth, inflation and the labour market.

## 2.1. Growth forecasts

HM Treasury produce forecasts for the UK economy, which show a summary of published material reflecting the views of various economic forecasting organisations. In January 2011, at the time of the Final Budget 2011-12, the forecasts for the UK Economy showed an average estimate of 2.0% GDP growth for 2011.<sup>12</sup> The latest version of this publication<sup>13</sup> shows that the forecasts for 2011 have changed significantly, with average estimates for GDP growth being revised down to 0.9%, and forecasts for 2012 being 1.3%. The most recent OBR Economic and Fiscal Outlook report<sup>14</sup> forecast GDP growth of 1.7% in 2011 and 2.5% in 2012. However, the most recent HM Treasury data shows that GDP in quarter two of 2011 was only 0.6% higher than on the same time in 2010.<sup>15</sup>

Regional gross value added (GVA) provides an estimate of the value of the economy across the different regions (and sub-regions) of the UK. GVA statistics are released annually in December, so the latest available information was released in December 2010 and the regional GVA figures relate to 2009.<sup>16</sup> These show that:

- GVA in Wales in 2009 was £44.5 billion, down 2.2% on 2008, GVA for the UK (excluding extra-regio) fell by 2.1%.
- GVA per head in Wales in 2009 was £14,842, down 2.5% on 2008, whilst GVA per head for the UK (excluding extra-regio) fell by 2.7%.
- GVA per head in Wales in 2009 was 74.3% of the UK average, the lowest amongst the devolved countries and English regions. This ranking for Wales has not changed since 1998 when it fell below Northern Ireland.

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<sup>12</sup> HM Treasury, [Forecasts for the UK Economy: A comparison of independent forecasts](#), January 2011 [accessed 21 October 2011]

<sup>13</sup> HM Treasury, [Forecasts for the UK Economy: A comparison if independent forecasts](#), October 2011 [accessed 21 October 2011]

<sup>14</sup> Office for Budget Responsibility, [Economic and Fiscal Outlook](#), March 2011. This publication is due to be updated in November 2011. [accessed 21 October 2011]

<sup>15</sup> HM Treasury, Weekly economic indicators, [Pocket Databank 13/10/11](#), October 2011 [accessed 21 October 2011]

<sup>16</sup> StatsWales, [\[000114\] Regional Gross Value Added \(GVA\), by UK country](#), December 2010 [accessed 21 October 2011]

## 2.2. Labour Market

The latest information from the Labour Force Survey estimates for the 3 months to August 2011<sup>17</sup> show that:

- The employment rate for those aged from 16 - 64 in Wales was 67.3%, up 0.1 percentage points from the same period a year earlier. The UK average was 70.4%, down 0.3 percentage points from the same period a year earlier.
- The unemployment rate in Wales was 9.0% of the economically active, up 0.9 percentage points from the same period a year earlier. For the UK as a whole it was 8.1%, up 0.3 percentage points from the same period a year earlier.
- The economic inactivity rate for those aged from 16 - 64 in Wales was 25.9%, down 0.7 percentage points from the same period a year earlier. The UK average was 23.3%, up 0.1 percentage points from the same period a year earlier.
- The claimant count rate in September 2011 for Wales was 5.6% of the workforce, up 0.5 percentage points on September 2010 (UK rate 5.0%, up 0.4 percentage points over the year).

In relation to public sector employment, the OBR's forecast estimated that this would fall by 330,000 across the UK, as a result of the spending reductions over the four years to 2014-15.<sup>18</sup> A recent report<sup>19</sup> suggests that there were 240,000 fewer people working in the public sector across the UK in quarter 2 of 2011, as compared with the same time in 2010. This suggests that public sector job losses have been faster than expected. The report also suggests that public sector job losses in the devolved administrations have been less severe than in other areas of the UK, as shown in [figure 2](#).

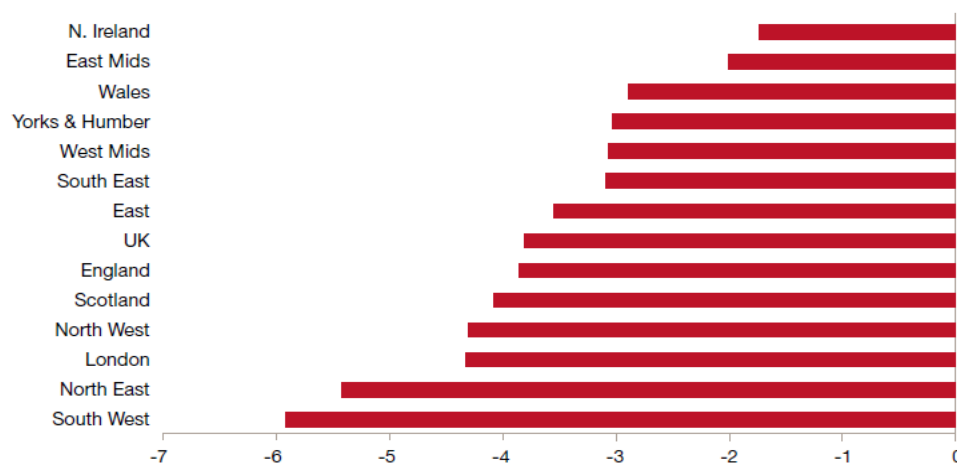
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<sup>17</sup> Welsh Government, [Key Economic Statistics](#), October 2011 [accessed 21 October 2011]

<sup>18</sup> Office for Budget Responsibility, [Economic and Fiscal Outlook](#), March 2011. This publication is due to be updated in November 2011. [accessed 21 October 2011]

<sup>19</sup> PwC, [Spending Review: One Year On](#), 20 October 2011 [accessed 21 October 2011]

**Figure 2: Change in public sector employment by region in year to quarter 2 of 2011 (per cent)**



Source: Reproduced from PwC, *Spending Review: One Year On*, October 2011

### 2.3. Inflation

In January 2011, at the time of the Final Budget 2011-12, the forecasts for the UK economy showed an average forecast of 3.0% for CPI and 3.9% for RPI in 2011.<sup>20</sup> The latest version of this publication<sup>21</sup> shows that the forecasts for 2011 have changed significantly, with average estimates for CPI and RPI estimated to be 4.6% and 5.2% respectively. Forecasts for 2012 remain more optimistic, with average estimates for CPI and RPI expected being 2.2% and 2.7% respectively.

The most recent OBR Economic and Fiscal Outlook report<sup>22</sup> stated that it was expected that CPI inflation would 'remain between 4 and 5 per cent over most of 2011' and would 'fall back to around its target level of two per cent in the medium term'.

The latest information from the Office for National Statistics shows that in September 2011, CPI was 5.2% and RPI was 5.6%.<sup>23</sup> CPI has never been higher than this since the official series began in January 1997,<sup>24</sup> but was equal to this level in September 2008, and RPI is at its highest in 20 years. This increase is in part due to the exceptional increase in energy prices, and the increase in VAT.

<sup>20</sup> HM Treasury, [Forecasts for the UK Economy: A comparison of independent forecasts](#), January 2011 [accessed 21 October 2011]

<sup>21</sup> HM Treasury, [Forecasts for the UK Economy: A comparison of independent forecasts](#), October 2011 [accessed 21 October 2011]

<sup>22</sup> Office for Budget Responsibility, [Economic and Fiscal Outlook](#), March 2011 [accessed 21 October 2011]

<sup>23</sup> Office for National Statistics, [Consumer Price Indices September 2011](#), 18 October 2011 [accessed 21 October 2011]

<sup>24</sup> Office for National Statistics, [Statistical Bulletin Briefing Note: Consumer price indices](#), September 2011 [accessed 21 October 2011]

### 3. Overview of the Welsh Block

Schedule 6 of the Draft Budget Proposals shows **£15.4 billion has made available by HM Treasury for the total Welsh block<sup>25</sup> in 2012-13 financial year.**<sup>26</sup>

It should be noted that when looking at the draft budget 2012-13, the figures presented by the Welsh Government as the 2011-12 baseline are based on those in the Supplementary Budget 2011-12,<sup>27</sup> restated to remove non-recurrent allocations. The restatement has altered the figures as follows:

- Housing, Regeneration and Heritage portfolio: the 2011-12 baseline is £150,000 lower than the 2011-12 supplementary budget allocation. This is due to the removal of an allocation from reserves to the National Botanical Garden of Wales.
- Central Services and Administration portfolio: the 2011-12 baseline is £8.8 million lower than the 2011-12 supplementary budget allocation. This is due to the removal of an allocation from reserves in relation to the costs of the Assembly elections.

There is a corresponding increase in the baseline revenue reserves of £8.95 million to account for this restating.

#### 3.1. Total managed expenditure (TME)

**Table 3** shows the total managed expenditure in the Welsh block (ie allocations to the Welsh Government, plus provision for the direct funded bodies<sup>28</sup>, reserves and direct charges, but excluding provision for the Wales Office).

The TME within the Welsh block for 2012-13 is **£15.4 billion, an increase of £14.5 million, or 0.1% over that in 2011-12. In real terms this equates to a 2.3% reduction.** Over the budget period (2011-12 to 2014-15) there is an overall reduction in TME of £162 million, or 1.1%. In real terms this represents a reduction of 6.5%.

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<sup>25</sup> Including departmental expenditure limits and annually managed expenditure.

<sup>26</sup> Welsh Government, *Draft Budget Proposals 2012-13*, October 2011 (Schedule 6 page 24) [accessed 21 October 2011]

<sup>27</sup> Welsh Government, *Supplementary Budget 2011-12*, June 2011 [accessed 21 October 2011]

<sup>28</sup> The direct funded bodies are the National Assembly for Wales Commission, the Public Services Ombudsman for Wales and the Auditor General for Wales.

**Table 3: TME in the Welsh block, 2011-12 to 2012-13 and cumulative change 2011-12 to 2014-15**

Main Expenditure Group	2011-12	2012-13	2013-14	2014-15	Change 2011-12		Real terms change		Cumulative change		Real terms cumulative change	
	baseline	Draft	indicative	indicative	to 2012-13		2011-12 to 2012-13		2011-12 to 2014-15		2011-12 to 2014-15	
	Draft Budget	Draft Budget	Draft Budget	Draft Budget	£000	per cent	£000	per cent	£000	per cent	£000	per cent
Health, Social Services & Children	6,420,941	6,469,006	6,374,272	6,493,538	48,065	0.7	-109,716	-1.7	72,597	1.1	-414,508	-6.5
Local Government & Communities	5,153,048	5,168,827	5,156,818	5,207,509	15,779	0.3	-110,290	-2.1	54,461	1.1	-336,174	-6.5
Business, Enterprise, Technology & Science	321,636	312,728	305,200	305,200	-8,908	-2.8	-16,536	-5.1	-16,436	-5.1	-39,330	-12.2
Education & Skills	1,925,476	1,960,048	1,979,943	1,979,603	34,572	1.8	-13,234	-0.7	54,127	2.8	-94,371	-4.9
Environment & Sustainable Development	329,709	326,812	319,993	323,439	-2,897	-0.9	-10,868	-3.3	-6,270	-1.9	-30,532	-9.3
Housing, Regeneration & Heritage	531,025	514,330	489,901	489,947	-16,695	-3.1	-29,240	-5.5	-41,078	-7.7	-77,831	-14.7
Central Services & Administration	361,450	348,082	330,846	331,364	-13,368	-3.7	-21,858	-6.0	-30,086	-8.3	-54,943	-15.2
<b>Total Welsh Government TME Allocations</b>	<b>15,043,285</b>	<b>15,099,833</b>	<b>14,956,973</b>	<b>15,130,600</b>	<b>56,548</b>	<b>0.4</b>	<b>-311,741</b>	<b>-2.1</b>	<b>87,315</b>	<b>0.6</b>	<b>-1,047,689</b>	<b>-7.0</b>
Revenue Reserves	213,834	195,130	243,674	269,839	-18,704	-8.7	-23,463	-11.0	56,005	26.2	35,763	16.7
Capital Reserves	69,880	50,449	50,449	92,162	-19,431	-27.8	-20,661	-29.6	22,282	31.9	15,369	22.0
Assembly Commission	49,322	45,229	45,521	45,521	-4,093	-8.3	-5,196	-10.5	-3,801	-7.7	-7,216	-14.6
Auditor General for Wales	4,853	4,853	4,853	4,853	0	0.0	-118	-2.4	0	0.0	-364	-7.5
Public Services Ombudsman for Wales	3,854	3,961	3,960	3,960	107	2.8	10	0.3	106	2.8	-191	-5.0
Direct Charges	631	675	675	675	44	7.0	28	4.4	44	7.0	-7	-1.1
<b>Total Wales TME</b>	<b>15,385,659</b>	<b>15,400,130</b>	<b>15,306,105</b>	<b>15,547,610</b>	<b>14,471</b>	<b>0.1</b>	<b>-361,142</b>	<b>-2.3</b>	<b>161,951</b>	<b>1.1</b>	<b>-1,004,335</b>	<b>-6.5</b>

Source: Research Service calculations from Welsh Government Draft Budget 2012-13



### 3.2. Total DEL

**Table 4** shows the total DEL (revenue plus capital) in the Welsh block. From this it can be seen that **total DEL in the block for 2012-13 is £15 billion, a reduction of £44.9 million, or 0.3% on that for 2011-12. In real terms this represents a 2.7% reduction.** Over the budget period total DEL in the block increases by £86 million, or 0.6%. In real terms this represents a reduction of £1 billion, or 7.0%.

Total DEL allocated to Welsh Government departments (or main expenditure groups, MEGs):<sup>29</sup>

- Reduces by £2.8 million, between 2011-12 and 2012-13, this represents no change in percentage terms. This represents a real terms reduction of 1.6%.
- Increases by £11.4 million or 0.1% over the budget period. This represents a real terms reduction of £1 billion, or 7.4%.

From **table 4** it can also be seen that the total reserves in 2012-13 are £245.6 million, or 1.6% of the total DEL.

**Figure 3** shows the proportion of total DEL allocation to each MEG in 2012-13. From this it can be seen that taken together the Health, Social Services and Children and Local Government and Communities MEGs make up around **78 per cent** of the total Welsh Government budget.

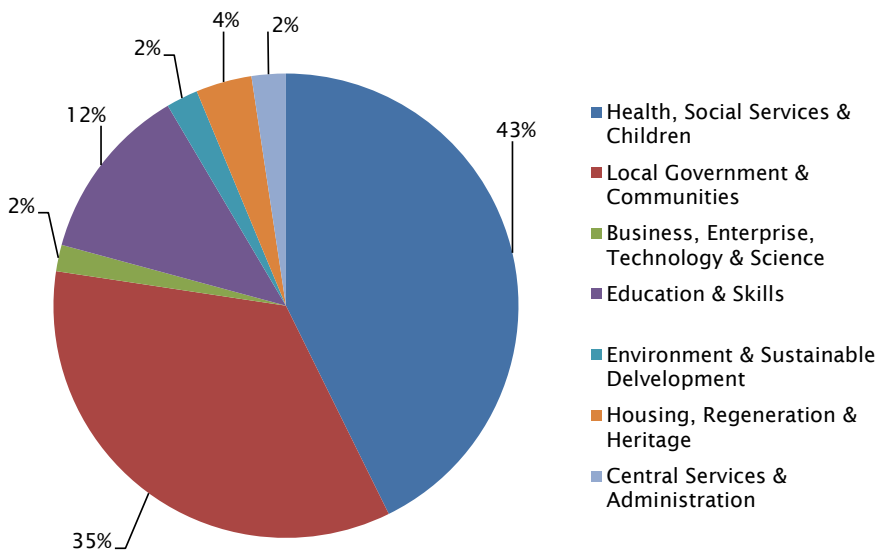
**Figure 4** shows the total DEL allocations to each MEG in each year of the budget period, and **figure 5** shows the percentage change in total DEL to each MEG between 2011-12 and 2012-13. From this it can be seen that:

- The greatest percentage reduction in total DEL between 2011-12 and 2012-13 is in the **Housing, Regeneration and Heritage** MEG, with a reduction of 4.6%, representing a real terms reduction of 7.0%.
- The greatest percentage increase is seen in the **Health, Social Services and Children** MEG, with an increase of 0.8%, representing a real terms reduction of 1.6%.

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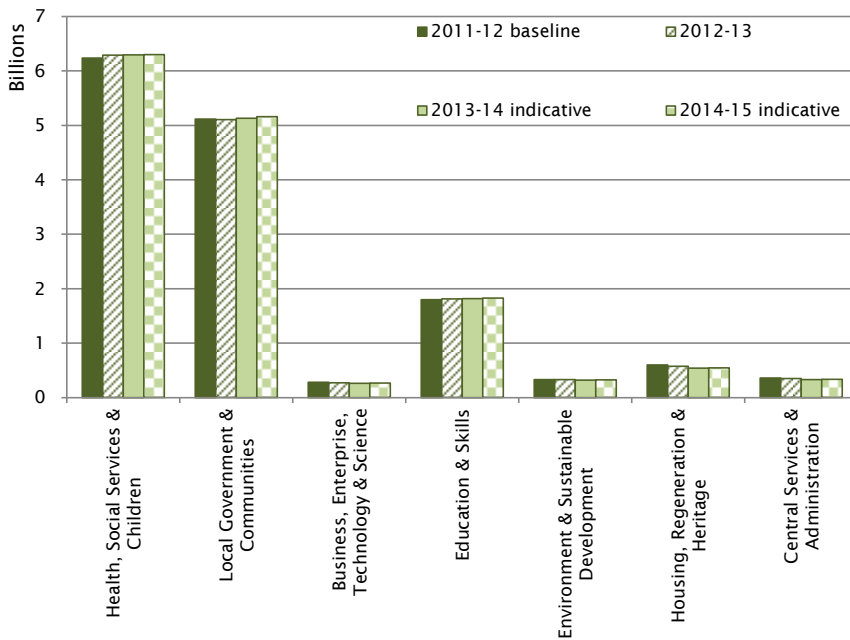
<sup>29</sup> **Main expenditure group (MEG)** - The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Main expenditure groups (MEG) are at the highest level of this detail and correspond to Ministerial portfolios or ambits. Below MEG level, expenditure is identified by spending programme areas (SPAs) and, within these, actions.

**Figure 3: Proportion of total DEL allocation to each MEG in 2012-13**



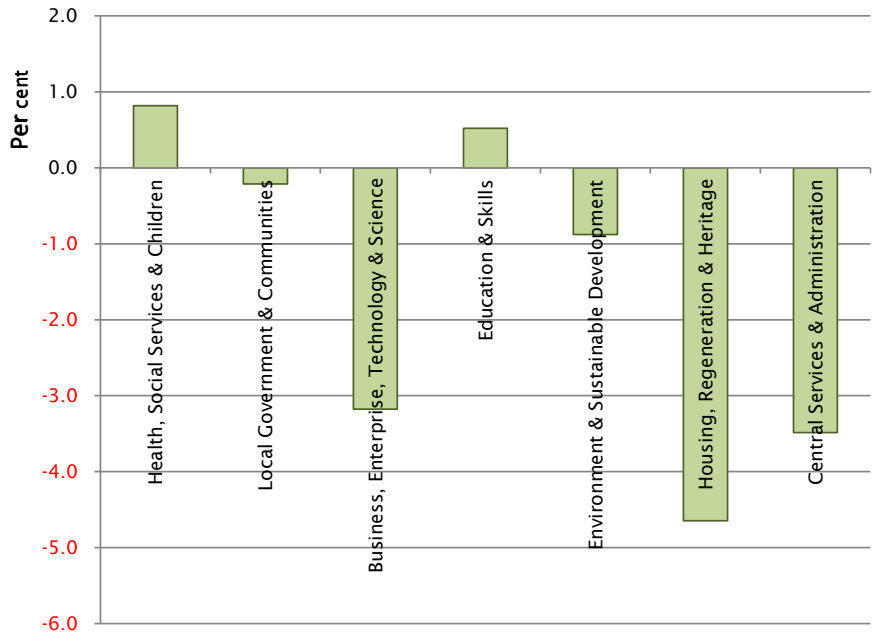
Source: Research Service calculations from Welsh Government Draft Budget 2012-13

**Figure 4: Total DEL by MEG in cash terms, 2011-12 to 2014-15**



Source: Research Service calculations from Welsh Government Draft Budget 2012-13

**Figure 5: Percentage change in total DEL by MEG in cash terms, 2011-12 to 2012-13**



Source: Research Service calculations from Welsh Government Draft Budget 2012-13

**Table 4: Total DEL in the Welsh block, 2011-12 to 2012-13 and cumulative change 2011-12 to 2014-15**

Main Expenditure Group	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
Health, Social Services & Children	6,236,242	6,287,226	6,293,758	6,294,146	50,984	0.8	-102,363	-1.6	57,904	0.9	-414,244	-6.6
Local Government & Communities	5,115,327	5,104,513	5,131,128	5,154,269	-10,814	-0.2	-135,314	-2.6	38,942	0.8	-347,699	-6.8
Business, Enterprise, Technology & Science	280,234	271,326	263,798	263,798	-8,908	-3.2	-15,526	-5.5	-16,436	-5.9	-36,224	-12.9
Education & Skills	1,800,174	1,809,523	1,818,658	1,826,293	9,349	0.5	-34,786	-1.9	26,119	1.5	-110,878	-6.2
Environment & Sustainable Development	329,709	326,812	319,993	323,439	-2,897	-0.9	-10,868	-3.3	-6,270	-1.9	-30,532	-9.3
Housing, Regeneration & Heritage	600,760	572,840	542,161	542,207	-27,920	-4.6	-41,892	-7.0	-58,553	-9.7	-99,226	-16.5
Central Services & Administration	362,550	349,919	332,212	332,212	-12,631	-3.5	-21,166	-5.8	-30,338	-8.4	-55,258	-15.2
<b>Total Welsh Government DEL Allocations</b>	<b>14,724,996</b>	<b>14,722,159</b>	<b>14,701,708</b>	<b>14,736,364</b>	<b>-2,837</b>	<b>-0.0</b>	<b>-361,914</b>	<b>-2.5</b>	<b>11,368</b>	<b>0.1</b>	<b>-1,094,063</b>	<b>-7.4</b>
Revenue Reserves	213,834	195,130	243,674	269,839	-18,704	-8.7	-23,463	-11.0	56,005	26.2	35,763	16.7
Capital reserves	69,880	50,449	50,449	92,162	-19,431	-27.8	-20,661	-29.6	22,282	31.9	15,369	22.0
Assembly Commission	48,822	44,729	45,021	45,021	-4,093	-8.4	-5,184	-10.6	-3,801	-7.8	-7,178	-14.7
Auditor General for Wales	4,853	4,853	4,853	4,853	0	0.0	-118	-2.4	0	0.0	-364	-7.5
Public Services Ombudsman for Wales	3,854	3,961	3,960	3,960	107	2.8	10	0.3	106	2.8	-191	-5.0
Direct Charges	631	675	675	675	44	7.0	28	4.4	44	7.0	-7	-1.1
<b>Total Wales DEL</b>	<b>15,066,870</b>	<b>15,021,956</b>	<b>15,050,340</b>	<b>15,152,874</b>	<b>-44,914</b>	<b>-0.3</b>	<b>-411,303</b>	<b>-2.7</b>	<b>86,004</b>	<b>0.6</b>	<b>-1,050,671</b>	<b>-7.0</b>

Source: Research Service calculations from Welsh Government Draft Budget 2012-13

### 3.3. Revenue DEL

**Table 5** shows the revenue DEL in the Welsh block. From this it can be seen that **revenue DEL in the block for 2012-13 is £13.8 billion, an increase of £57.6 million, or 0.4% on that for 2011-12. In real terms this represents a 2.0% reduction.** Over the budget period revenue DEL in the block increases by £270.4 million, or 2.0%. In real terms this represents a reduction of £783.3 million, or 5.7%.

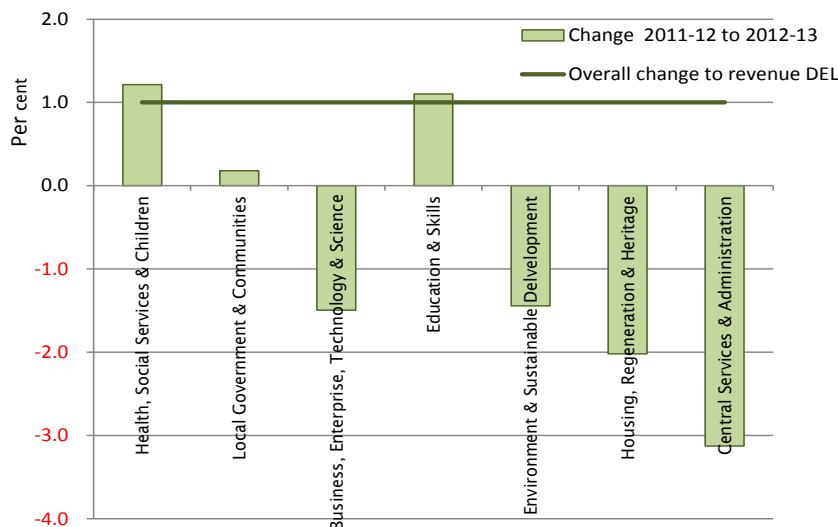
Revenue DEL allocated to Welsh Government MEGs:

- **Increases by £76.4 million, or 0.6% between 2011-12 and 2012-13.** This represents a real terms reduction of 1.9%.
- **Increases by £214.2 million, or 1.6% over the budget period.** This represents a real terms reduction of £815.2 million, or 6.0%.

**Figure 6** shows the percentage change in revenue DEL to each MEG between 2011-12 and 2012-13 plotted against the overall revenue DEL change (0.6%). From this it can be seen that:

- The greatest percentage reduction in revenue DEL between 2011-12 and 2012-13 is in the **Central Services and Administration** MEG, with a reduction of 3.1%, representing a real terms reduction of 5.5%.
- The greatest percentage increase is seen in the **Health, Social Services and Children** MEG, with an increase of 1.2%, representing a real terms reduction of 1.3%.

**Figure 6: Percentage change in revenue DEL by MEG in cash terms, 2011-12 to 2012-13**



Source: Research Service calculations from Welsh Government Draft Budget 2012-13

**Table 5: Revenue DEL in the Welsh block, 2011-12 to 2012-13 and cumulative change 2011-12 to 2014-15**

Main Expenditure Group	2011-12	2012-13	2013-14	2014-15	Change 2011-12		Real terms change		Cumulative change		Real terms	
	baseline	Draft	indicative	indicative	to 2012-13		2011-12 to 2012-13		2011-12 to 2014-15		cumulative change	
	Draft	Budget	Draft	Draft	£000	per cent	£000	per cent	£000	per cent	£000	per cent
	£000	£000	£000	£000								
Health, Social Services & Children	5,974,139	6,046,623	6,079,280	6,079,668	72,484	1.2	-74,995	-1.3	105,529	1.8	-350,530	-5.9
Local Government & Communities	4,834,155	4,842,872	4,897,837	4,920,978	8,717	0.2	-109,402	-2.3	86,823	1.8	-282,318	-5.8
Business, Enterprise, Technology & Science	185,646	182,870	184,428	184,428	-2,776	-1.5	-7,236	-3.9	-1,218	-0.7	-15,053	-8.1
Education & Skills	1,630,201	1,648,180	1,674,824	1,682,459	17,979	1.1	-22,221	-1.4	52,258	3.2	-73,950	-4.5
Environment & Sustainable Development	269,067	265,183	265,755	269,201	-3,884	-1.4	-10,352	-3.8	134	0.0	-20,060	-7.5
Housing, Regeneration & Heritage	284,022	278,282	279,597	279,643	-5,740	-2.0	-12,527	-4.4	-4,379	-1.5	-25,356	-8.9
Central Services & Administration	331,830	321,455	306,899	306,899	-10,375	-3.1	-18,215	-5.5	-24,931	-7.5	-47,953	-14.5
<b>Total Welsh Government Revenue DEL</b>	<b>13,509,060</b>	<b>13,585,465</b>	<b>13,688,620</b>	<b>13,723,276</b>	<b>76,405</b>	<b>0.6</b>	<b>-254,948</b>	<b>-1.9</b>	<b>214,216</b>	<b>1.6</b>	<b>-815,219</b>	<b>-6.0</b>
Revenue Reserves	213,834	195,130	243,674	269,839	-18,704	-8.7	-23,463	-11.0	56,005	26.2	35,763	16.7
Capital reserves	0	0	0	0	0	0.0	0	0.0	0	0.0	0	0.0
Assembly Commission	44,246	43,979	44,271	44,271	-267	-0.6	-1,340	-3.0	25	0.1	-3,296	-7.4
Auditor General for Wales	4,853	4,853	4,853	4,853	0	0.0	-118	-2.4	0	0.0	-364	-7.5
Public Services Ombudsman for Wales	3,839	3,947	3,947	3,947	108	2.8	12	0.3	108	2.8	-188	-4.9
Direct Charges	631	675	675	675	44	7.0	28	4.4	44	7.0	-7	-1.1
<b>Total Wales Revenue DEL</b>	<b>13,776,463</b>	<b>13,834,049</b>	<b>13,986,040</b>	<b>14,046,861</b>	<b>57,586</b>	<b>0.4</b>	<b>-279,830</b>	<b>-2.0</b>	<b>270,398</b>	<b>2.0</b>	<b>-783,311</b>	<b>-5.7</b>

Source: Research Service calculations from Welsh Government Draft Budget 2012-13

### 3.4. Capital DEL

**Table 6** shows the capital DEL in the Welsh block. From this it can be seen that **capital DEL in the block for 2012-13 is £1.2 billion, a decrease of £102.5 million, or 7.9% on that for 2011-12. In real terms this represents a 10.2% reduction.** Over the budget period capital DEL in the block decreases by £184.4 million, or 14.3%. In real terms this represents a reduction of £267.4 million, or 20.7%.

Capital DEL allocated to Welsh Government MEGs:

- **Decreases by £79.2 million, or 6.5%** between 2011-12 and 2012-13. This represents a real terms reduction of 8.8%.
- Decreases by £202.8 million, or 16.7% over the budget period. This represents a real terms reduction of £278.8 million, or 22.9%.

**Figure 7** shows the percentage change in capital DEL to each MEG between 2011-12 and 2012-13 plotted against the overall change in capital DEL (-6.5%). From this it can be seen that:

- The greatest percentage reduction is seen in the **Health, Social Services and Children** MEG, with a decrease of 8.2%, representing a real terms reduction of 10.4%.
- The **only** percentage increase in capital DEL between 2011-12 and 2012-13 is in the **Environment and Sustainable Development** MEG, with an increase of 1.6%, representing a real terms reduction of 0.9%.

As can be seen from **table 2**, the capital element of the Welsh block was most severely impacted on by the spending review. In the 2011-12 draft budget it was stated that the Welsh Government were '*deeply concerned about the scale of the cuts to the capital budgets imposed by the UK Government.*'<sup>30</sup> The current draft budget narrative states in relation to capital investment:

Whilst we work to explore borrowing powers we are committed to developing alternate ways of maximising the use of our existing resources and mitigating the impact of our drastically reduced capital budgets.

We will work collaboratively with our partners to review and implement ways of working with other public service bodies, the third and private sectors to maximise capital investment. We will examine ways of managing our assets efficiently and effectively. Strategic spending will be core to our approach – leveraging in new money through innovative means and being more efficient and effective with the funding we already have.<sup>31</sup>

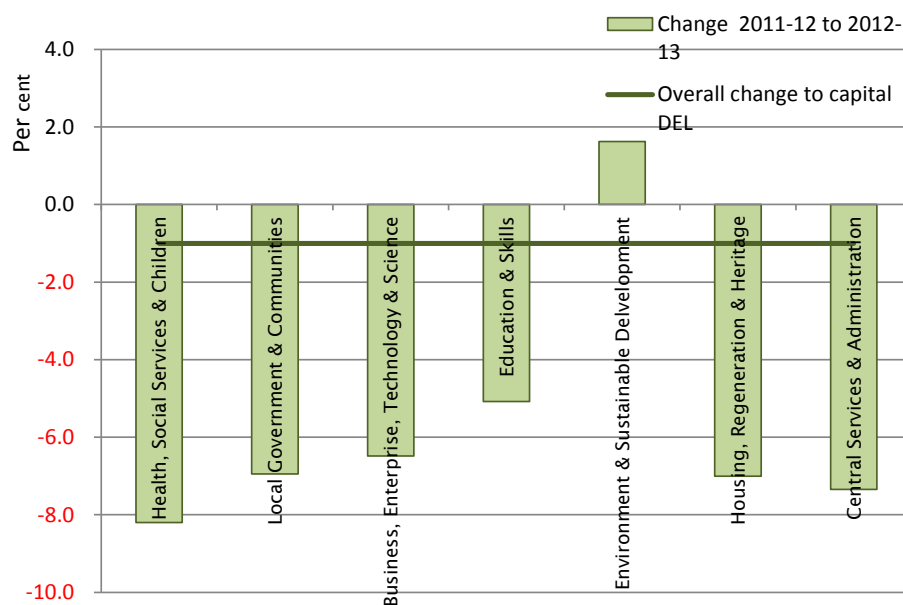
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<sup>30</sup> Welsh Government, [Draft Budget 2011-12 narrative](#), November 2010 (page 26) [accessed 21 October 2011]

<sup>31</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 4) [accessed 21 October 2011]

In her oral statement accompanying the draft budget, the Minister for Finance stated that she had already lifted investment by transferring revenue funding to capital.<sup>32</sup> During her appearance before the Assembly's Finance Committee on 12 October 2011, she clarified that it was **anticipated that around £57 million of revenue funding would be transferred to capital.**<sup>33</sup>

**Figure 7: Percentage change in capital DEL by MEG in cash terms, 2011-12 to 2012-13**



Source: Research Service calculations from Welsh Government Draft Budget 2012-13

<sup>32</sup> Welsh Government, Jane Hutt (Minister for Finance and Leader of the House), *Draft Budget*, Cabinet Oral Statement, 4 October 2011 [accessed 21 October 2011]

<sup>33</sup> National Assembly for Wales, Finance Committee, *RoP [para 22]*, 12 October 2011 [link not available at time of writing]



**Table 6: Capital DEL in the Welsh block, 2011-12 to 2012-13 and cumulative change 2011-12 to 2014-15**

Main Expenditure Group	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
Health, Social Services & Children	262,103	240,603	214,478	214,478	-21,500	-8.2	-27,368	-10.4	-47,625	-18.2	-63,714	-24.3
Local Government & Communities	281,172	261,641	233,291	233,291	-19,531	-6.9	-25,912	-9.2	-47,881	-17.0	-65,381	-23.3
Business, Enterprise, Technology & Science	94,588	88,456	79,370	79,370	-6,132	-6.5	-8,289	-8.8	-15,218	-16.1	-21,172	-22.4
Education & Skills	169,973	161,343	143,834	143,834	-8,630	-5.1	-12,565	-7.4	-26,139	-15.4	-36,929	-21.7
Environment & Sustainable Development	60,642	61,629	54,238	54,238	987	1.6	-516	-0.9	-6,404	-10.6	-10,473	-17.3
Housing, Regeneration & Heritage	316,738	294,558	262,564	262,564	-22,180	-7.0	-29,364	-9.3	-54,174	-17.1	-73,870	-23.3
Central Services & Administration	30,720	28,464	25,313	25,313	-2,256	-7.3	-2,950	-9.6	-5,407	-17.6	-7,306	-23.8
<b>Total Welsh Government Capital DEL Allocations</b>	<b>1,215,936</b>	<b>1,136,694</b>	<b>1,013,088</b>	<b>1,013,088</b>	<b>-79,242</b>	<b>-6.5</b>	<b>-106,966</b>	<b>-8.8</b>	<b>-202,848</b>	<b>-16.7</b>	<b>-278,844</b>	<b>-22.9</b>
Revenue Reserves	0	0	0	0	0	0.0	0	0.0	0	0.0	0	0.0
Capital reserves	69,880	50,449	50,449	92,162	-19,431	-27.8	-20,661	-29.6	22,282	31.9	15,369	22.0
Assembly Commission	4,576	750	750	750	-3,826	-83.6	-3,844	-84.0	-3,826	-83.6	-3,882	-84.8
Auditor General for Wales	0	0	0	0	0	0.0	0	0.0	0	0.0	0	0.0
Public Services Ombudsman for Wales	15	14	13	13	-1	-6.7	-1	-8.9	-2	-13.3	-3	-19.8
Direct Charges	0	0	0	0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Wales Capital DEL</b>	<b>1,290,407</b>	<b>1,187,907</b>	<b>1,064,300</b>	<b>1,106,013</b>	<b>-102,500</b>	<b>-7.9</b>	<b>-131,473</b>	<b>-10.2</b>	<b>-184,394</b>	<b>-14.3</b>	<b>-267,360</b>	<b>-20.7</b>

Source: Research Service calculations from Welsh Government Draft Budget 2012-13

### 3.5. *Annually managed expenditure (AME)*<sup>34</sup>

**Table 7** shows the AME in the Welsh block. From this it can be seen that **AME in the block for 2012-13 is £378.2 million, an increase of £59.4 million, or 18.6% on that for 2011-12. In real terms this represents a 15.7% increase.** Over the budget period AME in the block increases by £75.9 million, or 23.8%. In real terms this represents an increase of £46.3 million, or 14.5%.

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<sup>34</sup> **Annually managed expenditure (AME)** - AME is less predictable than that in departmental expenditure limits (DEL). It covers spend which is generally demand-led and therefore provision cannot reasonably be subject to multi-year limits, (for example, the issue of student loans). This is reviewed and set twice a year by HM Treasury. AME can only be allocated to the purpose for which it is assigned; therefore the Welsh Government has no discretion over its allocation. Further AME can be drawn from HM Treasury if required, while any unspent AME must be returned.

**Table 7: AME in the Welsh block, 2011-12 to 2012-13 and cumulative change 2011-12 to 2014-15**

Main Expenditure Group	2011-12	2012-13	2013-14	2014-15	Change 2011-12		Real terms change		Cumulative change		Real terms	
	baseline	Draft	indicative	indicative	to 2012-13		2011-12 to 2012-13		2011-12 to 2014-15		cumulative change	
	Draft	Budget	Draft	Draft	£000	per cent	£000	per cent	£000	per cent	£000	per cent
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
Health, Social Services & Children	184,699	181,780	80,514	199,392	-2,919	-1.6	-7,353	-4.0	14,693	8.0	-264	-0.1
Local Government & Communities	37,721	64,314	25,690	53,240	26,593	70.5	25,024	66.3	15,519	41.1	11,525	30.6
Business, Enterprise, Technology & Science	41,402	41,402	41,402	41,402	0	0.0	-1,010	-2.4	0	0.0	-3,106	-7.5
Education & Skills	125,302	150,525	161,285	153,310	25,223	20.1	21,552	17.2	28,008	22.4	16,508	13.2
Environment & Sustainable Development	0	0	0	0	0	0.0	0	0.0	0	0.0	0	0.0
Housing, Regeneration & Heritage	-69,735	-58,510	-52,260	-52,260	11,225	-16.1	12,652	-18.1	17,475	-25.1	21,395	-30.7
Central Services & Administration	-1,100	-1,837	-1,366	-848	-737	67.0	-692	62.9	252	-22.9	316	-28.7
<b>Total Welsh Government AME Allocations</b>	<b>318,289</b>	<b>377,674</b>	<b>255,265</b>	<b>394,236</b>	<b>59,385</b>	<b>18.7</b>	<b>50,173</b>	<b>15.8</b>	<b>75,947</b>	<b>23.9</b>	<b>46,374</b>	<b>14.6</b>
Assembly Commission	500	500	500	500	0	0.0	-12	-2.4	0	0.0	-38	-7.5
<b>Total Wales AME</b>	<b>318,789</b>	<b>378,174</b>	<b>255,765</b>	<b>394,736</b>	<b>59,385</b>	<b>18.6</b>	<b>50,161</b>	<b>15.7</b>	<b>75,947</b>	<b>23.8</b>	<b>46,336</b>	<b>14.5</b>

Source: Research Service calculations from Welsh Government Draft Budget 2012-13

#### 4. Health, Social Services and Children (HSSC)

This section details the overall figures for the HSSC MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions<sup>35</sup>/spending programmes areas (SPAs)<sup>36</sup> of the MEG.

**Table 8** provides information on the allocations proposed within the HSSC MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The HSSC MEG accounts for around **42 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

##### ***Total DEL***

Total departmental expenditure limit (DEL) in the HSSC MEG shows:

- 2011-12 baseline to 2012-13: **increase of £51 million or 0.8% in cash terms. In real terms this represents a reduction of £102.4 million or 1.6%.**
- Over the budget period (2011-12 to 2014-15): increase of £57.9 million, or 0.9% in cash terms, representing a reduction of £414.2 million, or 6.6% in real terms.

##### ***Revenue DEL***

Revenue DEL in the HSSC MEG shows:

- 2011-12 baseline to 2012-13: increase of £72.5 million or 1.2% in cash terms. In real terms this represents a reduction of £75 million or 1.3%.
- Over the budget period (2011-12 to 2014-15): increase of £105.5 million, or 1.8% in cash terms, representing a reduction of £350.5 million, or 5.9% in real terms.

##### ***Capital DEL***

Capital DEL in the HSSC MEG shows:

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<sup>35</sup> **Action** - The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Actions are the most detailed level published in the budget documentation and indicate policy or initiative areas. However, it should be noted that actions may not necessarily provide detail of allocations at the level of specific policy or programme.

<sup>36</sup> **Spending programme area (SPA)** - The Welsh Government's budget is broken down into several levels of detail for monitoring and control purposes. Spending programme areas (SPAs) are the second level of detail below main expenditure groups (MEG) and define discrete groups of allocations according to the type of services to be delivered.

- 2011-12 baseline to 2012-13: decrease of £21.5 million or 8.2% in cash terms. In real terms this represents a reduction of £27.4 million or 10.4%.
- Over the budget period (2011-12 to 2014-15): decrease of £47.6 million, or 18.2% in cash terms, representing a reduction of £63.7 million, or 24.3% in real terms.

## **AME**

AME in the HSSC MEG shows:

- 2011-12 baseline to 2012-13: decrease of £2.9 million or 1.6% in cash terms. In real terms this represents a reduction of £7.4 million or 4.0%.
- Over the budget period (2011-12 to 2014-15): decrease of £47.6 million, or 18.2% in cash terms, representing a reduction of £63.7 million, or 24.3% in real terms.

## ***Additional allocations and transfers***

There have been a number of additional revenue allocations to the HSSC MEG, which are stated to have been made from central reserves:

- **£83 million in each of 2012-13 and 2013-14 and £73 million in 2014-15** have been allocated to the *Delivery of Core NHS Services* action in the *NHS Delivery SPA*. This is stated to be in relation to **health structural support and is intended to place local health boards on a sustainable financial footing**.
- **£15.3 million in 2012-13, and £16.6 million in each of the 2013-14 and 2014-15** financial years have been allocated to the *Delivery of Core NHS Services* action in the *NHS Delivery SPA*. This is stated to be in relation to **orthopaedic treatment**.
- **£5 million in 2012-13, £20 million in 2013-14 and £30 million in 2014-15** have been allocated to the *Children, Young People and Families* action in the *Social Services SPA* in relation to **Flying Start**.
- **£0.4 million in 2014-15** has been allocated to in respect of **free prescriptions**. This is thought to have gone into the *Delivery of Core NHS Services* action in the *NHS Delivery SPA*.

There are also a number of revenue transfers between various actions within the HSSC MEG, these are detailed in [table 9](#). In addition to these internal transfers, there have also been the following transfers between MEGs:

- **£11.1 million** from the *Adult & Older People* action in the *Social Services* SPA to the Local Government and Communities MEG in relation to the **Strategy for Older People Grant and the First Steps package**; and
- **£0.3 million** into the *Delivery of Core NHS Services* action in the *NHS Delivery* SPA, from the Central Services and Administration MEG, in relation to **Welsh Health Specialised Services Committee (WHSSC) running costs**.

### ***Changes within the HSSC MEG 2012-13***

This section details the main changes between 2011-12 and 2012-13 within the HSSC MEG at the SPA and action level. Note that where explanations are provided for the changes these have been sourced from the Ministers paper to the Health and Social Care Committee<sup>37</sup> or the Draft Budget 2012-13 narrative document.<sup>38</sup>

- The greatest cash increase in revenue DEL in 2012-13 is within the *Delivery of Core NHS Services* action in the *NHS Delivery* SPA, which sees an **increase of £97.2 million, or 2 per cent in cash terms**. The budget documentation states that there is a net increase for this action of £138.7 million, or 2.8% between the indicative 2012-13 figures<sup>39</sup> and the 2012-13 draft budget figures. The Minister's paper to the Health and Social Care Committee, detailed an additional allocation to this action of £98.3 million from reserves in respect of health structural support and orthopaedic treatment. It also details a number of transfers within the MEG which result in a net increase of £40.2 million to this action. In addition to this there is a transfer in of £0.2 million from the CSA MEG, with respect to WHSSC running costs.
- The greatest percentage increase in revenue DEL in 2012-13 is in the *Children, Young People and Families* action in the *Social Services* SPA, which sees an **increase of £8.4 million, or 8.9% in cash terms**. The budget documentation states that there is a net increase of £6.3 million between the indicative 2012-13 figures<sup>40</sup> and the 2012-13 draft budget figures. The Minister's paper explains that this is due to an additional allocation of £5 million in 2012-13 for Flying Start and a transfer of £1.3 million between actions.
- The greatest reduction in revenue DEL in 2012-13, both in cash and percentage terms, is in the *Support Mental Health Policies and Legislation*

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<sup>37</sup> National Assembly for Wales, Health and Social Care Committee, [HSC\(4\)-08-11 paper 2: Draft Budget 2012-13 – Paper from the Minister for Health and Social Services](#), 20 October 2011 [accessed 21 October 2011]

<sup>38</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 [accessed 21 October 2011]

<sup>39</sup> As at Supplementary Budget 2011-12, June 2011

<sup>40</sup> *ibid*

action in the *Health Central Budgets SPA*, which sees a **reduction of £6.8 million, or 41.7% in cash terms**. The budget documentation states that there is a net decrease of £6.8 million between the indicative 2012-13 figures<sup>41</sup> and the 2012-13 draft budget figures. The Minister's paper explains that this is due to a number of transfers within the MEG.

- In relation to capital DEL, **all actions see a reduction of 7 per cent in 2012-13, with two exceptions**. The *Children, Young People and Families* capital action in the *Social Services SPA* reduces from £3.4 million in 2011-12 to zero in 2012-13, remaining at zero over the budget period. The *Care Council for Wales* capital action in the *Social Services SPA* is reduced by 4.3% in cash terms, from £23,000 in 2011-12 to £22,000 in 2012-13.
- Of the other capital DEL reductions in 2012-13, the most significant in cash terms is the **£17.3 million decrease** to the *NHS Delivery* action, in the SPA of the same name.

The Minister's paper to the Health and Social Care Committee states in relation to capital:

The All Wales Capital programme, which includes funding for the Social Services Strategy and Health Emergency preparedness, is based on current contractually committed schemes and schemes that the previous Health Minister and LHBs have highlighted as priorities for the forthcoming financial years.

The Programme takes account of the indicative budget allocations which were set during last years RAE exercise, and which results in a **significant reduction** in funding.<sup>42</sup>

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<sup>41</sup> *ibid*

<sup>42</sup> National Assembly for Wales, Health and Social Care Committee, [\*HSC\(4\)-08-11 paper 2: Draft Budget 2012-13 – Paper from the Minister for Health and Social Services\*](#), 20 October 2011 [accessed 21 October 2011]

**Table 8: Year-year change in HSSC MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms**

Spending Programme Area	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
NHS Delivery	5,407,503	5,491,962	5,507,030	5,497,418	84,459	1.6	-49,491	-0.9	89,915	1.7	-322,467	-6.0
Health Central Budgets	212,185	205,374	205,374	205,374	-6,811	-3.2	-11,820	-5.6	-6,811	-3.2	-22,217	-10.5
Public Health & Prevention	155,592	157,548	157,548	157,548	1,956	1.3	-1,887	-1.2	1,956	1.3	-9,862	-6.3
Social Services	188,721	182,104	200,161	210,161	-6,617	-3.5	-11,059	-5.9	21,440	11.4	5,675	3.0
CAFCASS Cymru	10,138	9,635	9,167	9,167	-503	-5.0	-738	-7.3	-971	-9.6	-1,659	-16.4
<b>TOTAL REVENUE DEL</b>	<b>5,974,139</b>	<b>6,046,623</b>	<b>6,079,280</b>	<b>6,079,668</b>	<b>72,484</b>	<b>1.2</b>	<b>-74,995</b>	<b>-1.3</b>	<b>105,529</b>	<b>1.8</b>	<b>-350,530</b>	<b>-5.9</b>
<b>CAPITAL DEL</b>												
NHS Delivery	247,573	230,279	205,275	205,275	-17,294	-7.0	-22,911	-9.3	-42,298	-17.1	-57,696	-23.3
Public Health & Prevention	5,418	5,039	4,492	4,492	-379	-7.0	-502	-9.3	-926	-17.1	-1,263	-23.3
Social Services	9,112	5,285	4,711	4,711	-3,827	-42.0	-3,956	-43.4	-4,401	-48.3	-4,754	-52.2
<b>TOTAL CAPITAL DEL</b>	<b>262,103</b>	<b>240,603</b>	<b>214,478</b>	<b>214,478</b>	<b>-21,500</b>	<b>-8.2</b>	<b>-27,368</b>	<b>-10.4</b>	<b>-47,625</b>	<b>-18.2</b>	<b>-63,714</b>	<b>-24.3</b>
<b>AME</b>												
NHS Impairments and Provisions	184,699	181,780	80,514	199,392	-2,919	-1.6	-7,353	-4.0	14,693	8.0	-264	-0.1
<b>TOTAL AME</b>	<b>184,699</b>	<b>181,780</b>	<b>80,514</b>	<b>199,392</b>	<b>-2,919</b>	<b>-1.6</b>	<b>-7,353</b>	<b>-4.0</b>	<b>14,693</b>	<b>8.0</b>	<b>-264</b>	<b>-0.1</b>
Revenue DEL	5,974,139	6,046,623	6,079,280	6,079,668	72,484	1.2	-74,995	-1.3	105,529	1.8	-350,530	-5.9
Capital DEL	262,103	240,603	214,478	214,478	-21,500	-8.2	-27,368	-10.4	-47,625	-18.2	-63,714	-24.3
<b>TOTAL DEL</b>	<b>6,236,242</b>	<b>6,287,226</b>	<b>6,293,758</b>	<b>6,294,146</b>	<b>50,984</b>	<b>0.8</b>	<b>-102,363</b>	<b>-1.6</b>	<b>57,904</b>	<b>0.9</b>	<b>-414,244</b>	<b>-6.6</b>
Annually Managed Expenditure	184,699	181,780	80,514	199,392	-2,919	-1.6	-7,353	-4.0	14,693	8.0	-264	-0.1
<b>TOTAL HSSC</b>	<b>6,420,941</b>	<b>6,469,006</b>	<b>6,374,272</b>	<b>6,493,538</b>	<b>48,065</b>	<b>0.7</b>	<b>-109,716</b>	<b>-1.7</b>	<b>72,597</b>	<b>1.1</b>	<b>-414,508</b>	<b>-6.5</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.



**Table 9: Transfers between actions within the HSSC MEG in 2012-13**

To	£m	From	£m	Comments
NHS Delivery SPA: Delivery of Core NHS Services action	32.3	NHS Delivery SPA: Delivery of Targeted NHS Services action	-32.3	SIFT infrastructure funding
NHS Delivery SPA: Delivery of Core NHS Services action	7.7	Health Central Budgets SPA: Support Mental Health Policies and Legislation action	-7.7	Funding for mental health services
NHS Delivery SPA: Delivery of Core NHS Services action	1.6	Public Health & Prevention SPA: Tackle Health Inequalities & Develop Partnership Working action	-1.6	Design to Smile Campaign
NHS Delivery SPA: Delivery of Core NHS Services action	1.2	Social Services SPA: Children's Social Services action	-1.2	Funding for CAMHS
NHS Delivery SPA: Delivery of Core NHS Services action	0.5	NHS Delivery SPA: Delivery of Targeted NHS Services action	-0.5	In respect of Overseas Visitors
Public Health & Prevention SPA: Sponsorship of Public Health Bodies action	2.2	NHS Delivery SPA: Delivery of Targeted NHS Services action	-2.2	Realignment of funding for Public Health Wales
Public Health & Prevention SPA: Promote Health Improvement & Healthy Working action	0.9	NHS Delivery SPA: Delivery of Targeted NHS Services action	-0.9	Funding for alcohol abuse
Health Central Budgets SPA: Support Mental Health Policies and Legislation action	0.9	Social Services SPA: Children's Social Services action	-0.9	Funding for CAMHS
Public Health & Prevention SPA: Promote Health Improvement & Healthy Working action	0.2	Public Health & Prevention SPA: Food Standards Agency action	-0.2	Food and Nutritional Survey
Public Health & Prevention SPA: Sponsorship of Public Health Bodies action	0.5	Public Health & Prevention SPA: Promote Health Improvement & Healthy Working action	-0.5	Funding to Public Health Wales
Public Health & Prevention SPA: Sponsorship of Public Health Bodies action	0.1	Public Health & Prevention SPA: Tackle Health Inequalities & Develop Partnership Working action	-0.1	Funding to Public Health Wales
Social Services SPA: Children's Social Services action	1	Social Services SPA: Social Services Strategy action	-1	Funding for vulnerable children
Social Services SPA: Adult & Older People action	1.4	Social Services SPA: Children's Social Services action	-1.4	In respect of autism
Public Health & Prevention SPA: Sponsorship of Public Health Bodies action	0.5	Social Services SPA: Children's Social Services action	-0.5	Newborn Blood Spot Screening
Social Services SPA: Children Young People and Families action	1.3	Social Services SPA: Children's Social Services action	-1.3	To consolidate CFOG Children In Need budgets
Social Services SPA: Adult & Older People action	1.9	Social Services SPA: Social Services Strategy action	-1.9	In respect of grants to local authorities
<b>TOTAL HSSC TRANSFERS</b>	<b>54.2</b>		<b>-54.2</b>	

Source: Paper from Minister for Health, Social Services and Children to Health and Social Care Committee, October 2011

## 5. Local Government & Communities (LGC)

This section details the overall figures for the LGC MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions/SPAs of the MEG.

[Table 10](#) provides information on the allocations proposed within the LGC MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The LGC MEG accounts for around **35 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

### ***Total DEL***

Total departmental expenditure limit (DEL) in the LGC MEG shows:

- 2011-12 baseline to 2012-13: **decrease of £10.8 million or 0.2% in cash terms. In real terms this represents a reduction of £135.3 million or 2.6%.**
- Over the budget period (2011-12 to 2014-15): increase of £38.9 million, or 0.8% in cash terms, representing a reduction of £347.7 million, or 6.8% in real terms.

### ***Revenue DEL***

Revenue DEL in the LGC MEG shows:

- 2011-12 baseline to 2012-13: increase of £8.7 million or 0.2% in cash terms. In real terms this represents a reduction of £109.4 million or 2.3%.
- Over the budget period (2011-12 to 2014-15): increase of £86.8 million, or 1.8% in cash terms, representing a reduction of £282.3 million, or 5.8% in real terms.

### ***Capital DEL***

Capital DEL in the LGC MEG shows:

- 2011-12 baseline to 2012-13: decrease of £19.5 million or 6.9% in cash terms. In real terms this represents a reduction of £25.9 million or 9.2%.
- Over the budget period (2011-12 to 2014-15): decrease of £47.9 million, or 17.0% in cash terms, representing a reduction of £65.4 million, or 23.3% in real terms.

## **AME**

AME in the LGC MEG shows:

- 2011-12 baseline to 2012-13: increase of £26.6 million or 70.5% in cash terms. In real terms this represents an increase of £25.0 million or 66.3%.
- Over the budget period (2011-12 to 2014-15): increase of £15.5 million, or 41.1% in cash terms, representing an increase of £11.5 million, or 30.6% in real terms.

### ***Additional allocations and transfers***

There have been a number of additional revenue allocations to the LGC MEG, which are stated to have been made from central reserves:

- **£5 million in each of 2013-14 and 2014-15** financial years has been allocated in respect of providing an **additional 500 Police Community Support Officers**. It is thought that this has gone into the *Local Government Funding SPA*.<sup>43</sup>
- **£0.7 million in 2014-15** in respect to **Concessionary Fares**. This is thought to be included in the *Improve Integrated Transport (Local)* SPA, in the *Develop Sustainable Travel* action.
- **£22.4 million in 2014-15** has gone into the revenue support grant (*Local Government Funding SPA, Funding Local Government* action) in relation to **increased funding for schools**.

There has also been the following transfer between MEGs:

- **£11.1 million** from the *Adult & Older People* action in the HSSC MEG has gone into the revenue support grant (*Local Government Funding SPA, Funding Support for Local Government* action), in relation to the **Strategy for Older People Grant and the First Steps package**.

### ***Changes within the LGC MEG 2012-13***

This section details the main changes between 2011-12 and 2012-13 within the LGC MEG at the SPA and action level.

- The greatest cash increase in revenue DEL in 2012-13 is within the *Funding Support for Local Government* action in the *Local Government Funding SPA*, which sees an **increase of £19.8 million, or 0.5% in cash terms**. The

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<sup>43</sup> National Assembly for Wales, Children and Young People Committee, RoP, 19 October 2011 [no link available at time of writing]

budget documentation states that there is a net increase for this action of £11.1 million, or 0.3% between the indicative 2012-13 figures<sup>44</sup> and the 2012-13 draft budget figures. This can be seen to be due to the transfer in from the HSSC MEG, as detailed above.

- The greatest percentage increase in revenue DEL in 2012-13 is in the *Driving Better Collaboration* action in the *Improving Services, Collaboration and Democracy* SPA, which sees an **increase of £1.5 million, or well over 100 per cent in cash terms**. The budget documentation states that there is no change to this action between the indicative 2012-13 figures<sup>45</sup> and the 2012-13 draft budget figures. This is likely to be due to structural changes in the MEG to align budgets with the departmental business plan and bring together budgets which focus on local government and public services.<sup>46</sup>
- The greatest reduction in revenue DEL in 2012-13, both in cash and percentage terms, is in the *Valuation Services* action in the *Local Taxation Policy* SPA, which sees a **reduction of £10.7 million to zero**. This is one of a number of SPAs which are reduced to zero in the draft budget, including: the entire *Local Taxation Policy* SPA, the *Inspection, Regulation and Frameworks* SPA, the *Local and Regional Collaboration* SPA, and the *Efficiency and Innovation* SPA. These actions show no change between the indicative 2012-13 figures<sup>47</sup> and the 2012-13 draft budget figures. The draft budget states that these are due to **structural changes in the MEG** as above.<sup>48</sup>
- In relation to capital DEL in 2012-13, the greatest increase in both cash and percentage terms is in the *Improve Public Transport (Rail)* action in the *Improve Domestic Connectivity (Regional & National)* SPA **which increases by £20 million, or 73.9% in cash terms**. The budget documentation states that there is a net increase for this action of £19.5 million, or 70.4% between the indicative 2012-13 figures<sup>49</sup> and the 2012-13 draft budget figures, and that this is due to re-profiling of major rail projects.<sup>50</sup>
- The greatest reduction in capital DEL in 2012-13 is also in the *Improve Domestic Connectivity (Regional & National)* SPA, in the *Improve and Maintain Trunk Road Network (Domestic Routes)* action, which **reduces by £19 million, or 33.5% in cash terms**. The budget documentation states that there is a net decrease for this action of £8.4 million, or 18.3% between the

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<sup>44</sup> As at Supplementary Budget 2011-12, June 2011

<sup>45</sup> *ibid*

<sup>46</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 33) [accessed 21 October 2011]

<sup>47</sup> *ibid*

<sup>48</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 33) [accessed 21 October 2011]

<sup>49</sup> As at Supplementary Budget 2011-12, June 2011

<sup>50</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 33) [accessed 21 October 2011]

indicative 2012-13 figures<sup>51</sup> and the 2012-13 draft budget figures, and that this is due to **re-profiling of road scheme construction costs**.<sup>52</sup>

In relation to the transport elements of the LGC MEG it should be noted that the Minister's paper to the Enterprise and Business Committee, states that:

The Draft Budget does not reflect the potential impact of the prioritisation of the National Transport Plan which is due later this year. Work is underway to prioritise interventions in the National Transport Plan to ensure existing transport funding is used effectively and the level of resources enhanced.<sup>53</sup>

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<sup>51</sup> As at Supplementary Budget 2011-12, June 2011

<sup>52</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 33) [accessed 21 October 2011]

<sup>53</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-07-11 Paper 1 - Evidence from Carl Sargeant and Annex A](#), 20 October 2011 [accessed 21 October 2011]

Table 10: Year-year change in LGC MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms

Spending Programme Area	2011-12	2012-13	2013-14	2014-15	Change 2011-12		Real terms change		Cumulative		Real terms	
	baseline	Draft	indicative	indicative	to 2012-13	to 2012-13	2011-12 to 2012-13	2011-12 to 2012-13	change 2011-12 to 2014-15	to 2014-15	cumulative change 2011-12 to 2014-15	to 2014-15
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
Local Government Funding	4,209,918	4,240,114	4,296,372	4,318,772	30,196	0.7	-73,221	-1.7	108,854	2.6	-215,114	-5.1
Supporting Communities and People	58,662	53,227	52,064	52,064	-5,435	-9.3	-6,733	-11.5	-6,598	-11.2	-10,504	-17.9
Safer Communities	43,841	44,026	44,176	44,176	185	0.4	-889	-2.0	335	0.8	-2,979	-6.8
Improving Services, Collaboration and Democracy	37,552	41,896	40,979	40,979	4,344	11.6	3,322	8.8	3,427	9.1	353	0.9
Local Taxation Policy	10,744	0	0	0	-10,744	-100.0	-10,744	-100.0	-10,744	-100.0	-10,744	-100.0
Care and Social Services Inspectorate	15,757	15,190	14,461	14,461	-567	-3.6	-937	-5.9	-1,296	-8.2	-2,381	-15.1
Healthcare Inspectorate Wales	2,824	2,722	2,591	2,591	-102	-3.6	-168	-6.0	-233	-8.3	-427	-15.1
Estyn	13,437	12,968	12,364	12,364	-469	-3.5	-785	-5.8	-1,073	-8.0	-2,000	-14.9
Inspection, Regulation and Performance Frameworks	400	0	0	0	-400	-100.0	-400	-100.0	-400	-100.0	-400	-100.0
Local & Regional Collaboration	1,560	0	0	0	-1,560	-100.0	-1,560	-100.0	-1,560	-100.0	-1,560	-100.0
Efficiency and Innovation	3,197	0	0	0	-3,197	-100.0	-3,197	-100.0	-3,197	-100.0	-3,197	-100.0
Improve Domestic Connectivity (Regional & National)	234,063	227,764	227,066	227,066	-6,299	-2.7	-11,854	-5.1	-6,997	-3.0	-24,030	-10.3
Improve International Connectivity	114,487	113,837	113,814	113,814	-650	-0.6	-3,427	-3.0	-673	-0.6	-9,211	-8.0
Improve Integrated Transport (Local)	84,657	85,133	88,955	89,696	476	0.6	-1,600	-1.9	5,039	6.0	-1,689	-2.0
Improve Road Safety & Transport's Impact on the Environment	3,056	5,995	4,995	4,995	2,939	96.2	2,793	91.4	1,939	63.4	1,564	51.2
<b>TOTAL REVENUE DEL</b>	<b>4,834,155</b>	<b>4,842,872</b>	<b>4,897,837</b>	<b>4,920,978</b>	<b>8,717</b>	<b>0.2</b>	<b>-109,402</b>	<b>-2.3</b>	<b>86,823</b>	<b>1.8</b>	<b>-282,318</b>	<b>-5.8</b>
<b>CAPITAL DEL</b>												
Local Government Funding	20,000	20,000	20,000	20,000	0	0.0	-488	-2.4	0	0.0	-1,500	-7.5
Supporting Communities and People	17,280	14,774	10,950	10,950	-2,506	-14.5	-2,866	-16.6	-6,330	-36.6	-7,151	-41.4
Safer Communities	9,156	8,529	7,711	7,711	-627	-6.8	-835	-9.1	-1,445	-15.8	-2,023	-22.1
Estyn	339	315	281	281	-24	-7.1	-32	-9.3	-58	-17.1	-79	-23.3
Improve Domestic Connectivity (Regional & National)	83,674	84,752	54,616	54,616	1,078	1.3	-989	-1.2	-29,058	-34.7	-33,155	-39.6
Improve International Connectivity	59,088	52,687	82,514	82,514	-6,401	-10.8	-7,686	-13.0	23,426	39.6	17,236	29.2
Improve Integrated Transport (Local)	80,713	72,601	49,236	49,236	-8,112	-10.1	-9,883	-12.2	-31,477	-39.0	-35,170	-43.6
Improve Road Safety & Transport's Impact on the Environment	10,922	7,983	7,983	7,983	-2,939	-26.9	-3,134	-28.7	-2,939	-26.9	-3,538	-32.4
<b>TOTAL CAPITAL DEL</b>	<b>281,172</b>	<b>261,641</b>	<b>233,291</b>	<b>233,291</b>	<b>-19,531</b>	<b>-6.9</b>	<b>-25,912</b>	<b>-9.2</b>	<b>-47,881</b>	<b>-17.0</b>	<b>-65,381</b>	<b>-23.3</b>
<b>AME</b>												
Local Government Funding	13,583	20,717	20,717	18,288	7,134	52.5	6,629	48.8	4,705	34.6	3,333	24.5
Improve Domestic Connectivity (Regional & National)	24,138	43,597	4,973	34,952	19,459	80.6	18,396	76.2	10,814	44.8	8,192	33.9
<b>TOTAL AME</b>	<b>37,721</b>	<b>64,314</b>	<b>25,690</b>	<b>53,240</b>	<b>26,593</b>	<b>70.5</b>	<b>25,024</b>	<b>66.3</b>	<b>15,519</b>	<b>41.1</b>	<b>11,525</b>	<b>30.6</b>
Revenue DEL	4,834,155	4,842,872	4,897,837	4,920,978	8,717	0.2	-109,402	-2.3	86,823	1.8	-282,318	-5.8
Capital DEL	281,172	261,641	233,291	233,291	-19,531	-6.9	-25,912	-9.2	-47,881	-17.0	-65,381	-23.3
<b>TOTAL DEL</b>	<b>5,115,327</b>	<b>5,104,513</b>	<b>5,131,128</b>	<b>5,154,269</b>	<b>-10,814</b>	<b>-0.2</b>	<b>-135,314</b>	<b>-2.6</b>	<b>38,942</b>	<b>0.8</b>	<b>-347,699</b>	<b>-6.8</b>
Annually Managed Expenditure	37,721	64,314	25,690	53,240	26,593	70.5	25,024	66.3	15,519	41.1	11,525	30.6
<b>TOTAL LGC</b>	<b>5,153,048</b>	<b>5,168,827</b>	<b>5,156,818</b>	<b>5,207,509</b>	<b>15,779</b>	<b>0.3</b>	<b>-110,290</b>	<b>-2.1</b>	<b>54,461</b>	<b>1.1</b>	<b>-336,174</b>	<b>-6.5</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.

## 6. Business, Enterprise, Technology & Science (BETS)

This section details the overall figures for the BETS MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions/SPAs of the MEG.

[Table 11](#) provides information on the allocations proposed within the BETS MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The BETS MEG accounts for around **2 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

### ***Total DEL***

Total departmental expenditure limit (DEL) in the BETS MEG shows:

- 2011-12 baseline to 2012-13: **decrease of £8.9 million or 3.2% in cash terms. In real terms this represents a reduction of £15.5 million or 5.5%.**
- Over the budget period (2011-12 to 2014-15): decrease of £16.4 million, or 5.9% in cash terms, representing a reduction of £36.2 million, or 12.9% in real terms.

### ***Revenue DEL***

Revenue DEL in the BETS MEG shows:

- 2011-12 baseline to 2012-13: decrease of £2.8 million or 1.5% in cash terms. In real terms this represents a reduction of £7.2 million or 3.9%.
- Over the budget period (2011-12 to 2014-15): decrease of £1.2 million, or 0.7% in cash terms, representing a reduction of £15 million, or 8.1% in real terms.

### ***Capital DEL***

Capital DEL in the BETS MEG shows:

- 2011-12 baseline to 2012-13: decrease of £6.1 million or 6.5% in cash terms. In real terms this represents a reduction of £8.3 million or 8.8%.
- Over the budget period (2011-12 to 2014-15): decrease of £15.2 million, or 16.1% in cash terms, representing a reduction of £21.2 million, or 22.4% in real terms.

## AME

AME in the BETS MEG shows:

- 2011-12 baseline to 2012-13: no change in cash terms. In real terms this represents an decrease of £1 million or 2.4%.
- Over the budget period (2011-12 to 2014-15): no change in cash terms, representing a decrease of £3.1 million, or 7.5% in real terms.

### *Additional allocations and transfers*

There are **no additional allocations to the BETS MEG**. However, the draft budget does state that the revenue transfer from the Education and Skills MEG of **£1 million relating to the National Science Academy**, (originally made in 2011-12), will become recurrent.<sup>54</sup>

There have also been the following transfers within the BETS MEG:

- **£2.7 million** from the *Sectors* action in the *Sectors and Business* SPA to the *Encouraging Innovation* action in the *Encouraging Innovation* SPA. This is related to the revenue budget for **innovation schemes**; and
- **£0.3 million** from the *Sector* action in the *Sectors and Business* SPA to the *Strategy Programmes* action in the *Strategy and Corporate Programmes* SPA. This is related to **strategic programme support**.

### *Changes within the BETS MEG 2012-13*

This section details the main changes between 2011-12 and 2012-13 within the BETS MEG at the SPA and action level.

- The greatest increase in revenue DEL in 2012-13 in both cash and percentage terms is within the *Encouraging Innovation* action/SPA, which sees an **increase of £2.6 million, or 83.0% in cash terms**. The budget documentation states that there is a net increase for this action of £3.7 million, or 171.7% between the indicative 2012-13 figures<sup>55</sup> and the 2012-13 draft budget figures. This can be seen to be partially due to the transfer in from the *Sectors and Business* SPA, as detailed above.
- The greatest reduction in revenue DEL in 2012-13, both in cash and percentage terms, is in the *Legacy SIF* action in the *Sectors and Business* SPA, which sees a **reduction of £4.6 million, or 51.1% in cash terms**. The budget documentation states that there is no change for this action between the

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<sup>54</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 38) [accessed 21 October 2011]

<sup>55</sup> As at Supplementary Budget 2011-12, June 2011



indicative 2012-13 figures<sup>56</sup> and the 2012-13 draft budget figures. The Ministers paper to the Enterprise and Business Committee<sup>57</sup> suggests that this may represent savings from re-profiled commitments on Legacy SIF.

- In relation to capital DEL in 2012-13, the greatest increase in both cash and percentage terms is in the *Deliver ICT Infrastructure* action in the *Infrastructure SPA* which **increases by £4.3 million, or over 100 per cent in cash terms**. The budget documentation states that there is no change for this action between the indicative 2012-13 figures<sup>58</sup> and the 2012-13 draft budget figures.
- The greatest reduction in capital DEL in 2012-13 is in the *Sectors and Business SPA*, in the *Legacy SIF* action, which **reduces by £11.7 million, or 20.8% in cash terms**. The budget documentation states that there is no change for this action between the indicative 2012-13 figures<sup>59</sup> and the 2012-13 draft budget figures. The Ministers paper to the Enterprise and Business Committee<sup>60</sup> suggests that this may represent savings from re-profiled commitments on Legacy SIF.

The draft budget narrative document states that:

The Minister for Business, Enterprise, Technology and Science is in the process of reviewing the portfolio's spending plans to ensure that they demonstrate high levels of efficiency and effectiveness, that they are focused on the commitments made in the programme for Government, and that they meet the needs of businesses in Wales. The Minister has recently announced the initial selection of five preferred locations for Enterprise Zones in Wales. In each location we will deploy a selective approach to the policy interventions.

**The proposals in the Draft Budget reflect current expenditure plans in the Department for BETS and therefore may be subject to change in the short to medium term.<sup>61</sup>**

[my emphasis]

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<sup>56</sup> *ibid*

<sup>57</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 2 - Evidence from Edwina Hart](#), 12 October 2011 [accessed 21 October 2011]

<sup>58</sup> As at Supplementary Budget 2011-12, June 2011

<sup>59</sup> *ibid*

<sup>60</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 2 - Evidence from Edwina Hart](#), 12 October 2011 [accessed 21 October 2011]

<sup>61</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 39) [accessed 21 October 2011]

Table 11: Year-year change in BETS MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms

Spending Programme Area	2011-12	2012-13	2013-14	2014-15	Change 2011-12		Real terms		Cumulative		Real terms	
	baseline	Draft	indicative	indicative	to 2012-13		change 2011-12		change 2011-12		cumulative	
	Draft	Budget	Draft	Draft	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
Sectors and Business	48,871	43,826	43,856	43,856	-5,045	-10.3	-6,114	-12.5	-5,015	-10.3	-8,305	-17.0
Encouraging Innovation	3,162	5,785	5,800	5,800	2,623	83.0	2,482	78.5	2,638	83.4	2,203	69.7
Regional Funding	2,005	2,005	2,005	2,005	0	0.0	-49	-2.4	0	0.0	-150	-7.5
Finance Wales	5,102	4,802	4,102	4,102	-300	-5.9	-417	-8.2	-1,000	-19.6	-1,308	-25.6
Major Events	3,930	3,870	3,897	3,897	-60	-1.5	-154	-3.9	-33	-0.8	-325	-8.3
Marketing	2,840	2,796	2,815	2,815	-44	-1.5	-112	-4.0	-25	-0.9	-236	-8.3
Infrastructure	21,470	22,415	23,571	23,571	945	4.4	398	1.9	2,101	9.8	333	1.6
Strategy & Corporate Programmes	4,677	4,880	4,918	4,918	203	4.3	84	1.8	241	5.2	-128	-2.7
WEFO	1,522	1,522	1,522	1,522	0	0.0	-37	-2.4	0	0.0	-114	-7.5
Rural Affairs	79,320	78,246	79,316	79,316	-1,074	-1.4	-2,982	-3.8	-4	-0.0	-5,954	-7.5
Tourism	12,747	12,723	12,626	12,626	-24	-0.2	-334	-2.6	-121	-0.9	-1,068	-8.4
<b>TOTAL REVENUE DEL</b>	<b>185,646</b>	<b>182,870</b>	<b>184,428</b>	<b>184,428</b>	<b>-2,776</b>	<b>-1.5</b>	<b>-7,236</b>	<b>-3.9</b>	<b>-1,218</b>	<b>-0.7</b>	<b>-15,053</b>	<b>-8.1</b>
<b>CAPITAL DEL</b>												
Sectors and Business	69,129	59,992	43,711	43,711	-9,137	-13.2	-10,600	-15.3	-25,418	-36.8	-28,697	-41.5
Encouraging Innovation	433	357	300	300	-76	-17.6	-85	-19.6	-133	-30.7	-156	-35.9
Regional Funding	995	995	995	995	0	0.0	-24	-2.4	0	0.0	-75	-7.5
Finance Wales	1,500	1,500	1,500	1,500	0	0.0	-37	-2.4	0	0.0	-113	-7.5
Infrastructure	6,291	10,031	18,456	18,456	3,740	59.5	3,495	55.6	12,165	193.4	10,781	171.4
Strategy & Corporate Programmes	449	417	372	372	-32	-7.1	-42	-9.4	-77	-17.1	-105	-23.4
Rural Affairs	13,001	12,569	11,723	11,723	-432	-3.3	-739	-5.7	-1,278	-9.8	-2,157	-16.6
Tourism	2,790	2,595	2,313	2,313	-195	-7.0	-258	-9.3	-477	-17.1	-651	-23.3
<b>TOTAL CAPITAL DEL</b>	<b>94,588</b>	<b>88,456</b>	<b>79,370</b>	<b>79,370</b>	<b>-6,132</b>	<b>-6.5</b>	<b>-8,289</b>	<b>-8.8</b>	<b>-15,218</b>	<b>-16.1</b>	<b>-21,172</b>	<b>-22.4</b>
<b>AME</b>												
<b>Infrastructure</b>	<b>41,402</b>	<b>41,402</b>	<b>41,402</b>	<b>41,402</b>	<b>0</b>	<b>0.0</b>	<b>-1,010</b>	<b>-2.4</b>	<b>0</b>	<b>0.0</b>	<b>-3,106</b>	<b>-7.5</b>
<b>TOTAL AME</b>	<b>41,402</b>	<b>41,402</b>	<b>41,402</b>	<b>41,402</b>	<b>0</b>	<b>0.0</b>	<b>-1,010</b>	<b>-2.4</b>	<b>0</b>	<b>0.0</b>	<b>-3,106</b>	<b>-7.5</b>
Revenue DEL	185,646	182,870	184,428	184,428	-2,776	-1.5	-7,236	-3.9	-1,218	-0.7	-15,053	-8.1
Capital DEL	94,588	88,456	79,370	79,370	-6,132	-6.5	-8,289	-8.8	-15,218	-16.1	-21,172	-22.4
<b>TOTAL DEL</b>	<b>280,234</b>	<b>271,326</b>	<b>263,798</b>	<b>263,798</b>	<b>-8,908</b>	<b>-3.2</b>	<b>-15,526</b>	<b>-5.5</b>	<b>-16,436</b>	<b>-5.9</b>	<b>-36,224</b>	<b>-12.9</b>
Annually Managed Expenditure	41,402	41,402	41,402	41,402	0	0.0	-1,010	-2.4	0	0.0	-3,106	-7.5
<b>TOTAL BETS</b>	<b>321,636</b>	<b>312,728</b>	<b>305,200</b>	<b>305,200</b>	<b>-8,908</b>	<b>-2.8</b>	<b>-16,536</b>	<b>-5.1</b>	<b>-16,436</b>	<b>-5.1</b>	<b>-39,330</b>	<b>-12.2</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.

## 7. Education & Skills (E&S)

This section details the overall figures for the E&S MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions/SPAs of the MEG.

The E&S MEG has undergone restructuring since the time of the Supplementary Budget 2011-12; however the draft budget narrative document provides a reconciliation of the revised and former structures.<sup>62</sup> The tables and figures here are based on the revised structure.

**Table 12** provides information on the allocations proposed within the E&S MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The E&S MEG accounts for around **12 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

### ***Total DEL***

Total departmental expenditure limit (DEL) in the E&S MEG shows:

- 2011-12 baseline to 2012-13: **increase of £9.3 million or 0.5% in cash terms. In real terms this represents a reduction of £34.8 million or 1.9%.**
- Over the budget period (2011-12 to 2014-15): increase of £26.1 million, or 1.5% in cash terms, representing a reduction of £110.9 million, or 6.2% in real terms.

### ***Revenue DEL***

Revenue DEL in the E&S MEG shows:

- 2011-12 baseline to 2012-13: increase of £18 million or 1.1% in cash terms. In real terms this represents a reduction of £22.2 million or 1.4%.
- Over the budget period (2011-12 to 2014-15): increase of £52.3 million, or 3.2% in cash terms, representing a reduction of £74 million, or 4.5% in real terms.

### ***Capital DEL***

Capital DEL in the E&S MEG shows:

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<sup>62</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (Annex B, page 70-71) [accessed 21 October 2011]

- 2011-12 baseline to 2012-13: decrease of £8.6 million or 5.1% in cash terms. In real terms this represents a reduction of £12.6 million or 7.4%.
- Over the budget period (2011-12 to 2014-15): decrease of £26.1 million, or 15.4% in cash terms, representing a reduction of £36.9 million, or 21.7% in real terms.

### **AME**

AME in the E&S MEG shows:

- 2011-12 baseline to 2012-13: increase of £25.2 million, or 20.1% in cash terms. In real terms this represents an increase of £21.6 million or 17.2%.
- Over the budget period (2011-12 to 2014-15): an increase of £28 million, or 22.4% in cash terms, representing an increase of £16.5 million, or 13.2% in real terms.

### ***Additional allocations and transfers***

There have been a number of additional revenue allocations to the E&S MEG, which are stated to have been made from central reserves:

- **£12.5 million in each year of the budget period to support the Jobs Growth Wales scheme.** The full cost of delivery will be £25 million per year, but the remaining **50 per cent of this is to be funded via European Structural Funds.** This has gone into the *Employability of the Workforce* action within the *Skilled Workforce SPA*.
- **£4.6 million in 2014-15 to increase schools funding.** It is unknown to which action/SPA this has been allocated.
- **£5 million in each year of the budget period in support of the Adapt scheme.** This has gone into the *Skills in the Workplace* action within the *Skilled Workforce SPA*.
- **£135,000 in 2014-15 for Free Primary School Breakfasts and School Milk.** It is unknown to which action/SPA this has been allocated.

The E&S section of the draft budget narrative<sup>63</sup> also refers to **additional funding in respect of student finance, £4.3 million in 2012-13, £10.9 million in 2013-14 and £13.8 million in 2014-15.** This is stated to be in relation to the cost of student loans for part-time HE students. This relates to non-cash funding in the

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<sup>63</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 45) [accessed 21 October 2011]

*Post-16 Learner Support* action within the *Economic and Social Wellbeing and Reducing Inequality* SPA, and has been allocated from non-cash reserves.<sup>64</sup>

There have also been revenue transfers from E&S to other MEGs as follows:

- **£1 million** to the BETS MEG. This is in relation to the **National Science Academy** and was originally made in 2011-12, it is stated that this will become recurrent.<sup>65</sup> This has come from the *Employability of the Workforce* action within the *Skilled Workforce* SPA.
- **£210,000** to the Central Services and Administration (CSA) MEG in relation to the transfer of responsibility for the **SEN Tribunal for Wales**. This has come from the *Wellbeing of Children and Young People* action within the *Economic and Social Wellbeing and Reducing Inequality* SPA.

There are also a number of **planned** revenue transfers between various actions within the E&S MEG. It should be noted that these are planned transfers and are not included within the draft budget baseline, but will be actioned via the next Supplementary Budget for 2011-12<sup>66</sup>:

- £7 million will be transferred from the *Literacy and Numeracy* action to the *Education Standards* action, both within the *Education and Training Standards* SPA. This is stated to have been redirected to schools via the School Effectiveness Grant.<sup>67</sup>
- £1.1 million will be transferred from the *Literacy and Numeracy* action in the *Education and Training Standards* SPA, to the *Employability of the Workforce* action in the *Skilled Workforce* SPA. This is stated to be in relation to adult literacy and numeracy.<sup>68</sup>
- £2.2 million will be transferred from the *Access Opportunities* action in the *Economic and Social Wellbeing and Reducing Inequality* SPA to the *Literacy and Numeracy* action in the *Education and Training Standards* SPA. This is stated to be in relation to funding for literacy and numeracy programmes for families which was previously linked to the Cymorth programme.<sup>69</sup>

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<sup>64</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 1 - Evidence from Leighton Andrews and Jeff Cuthbert](#), Annex 1 and Annex 2, 12 October 2011 [accessed 21 October 2011]

<sup>65</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 45) [accessed 21 October 2011]

<sup>66</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 46) [accessed 21 October 2011]

<sup>67</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 1 - Evidence from Leighton Andrews and Jeff Cuthbert](#), Annex 1 and Annex 2, 12 October 2011 [accessed 21 October 2011]

<sup>68</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 1 - Evidence from Leighton Andrews and Jeff Cuthbert](#), Annex 1 and Annex 2, 12 October 2011 [accessed 21 October 2011]

<sup>69</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 1 - Evidence from Leighton Andrews and Jeff Cuthbert](#), Annex 1 and Annex 2, 12 October 2011 [accessed 21 October 2011]

### ***Changes within the E&S MEG 2012-13***

This section details the main changes between 2011-12 and 2012-13 within the E&S MEG at the SPA and action level. Note that where explanations are provided for the changes these have been sourced from the Ministers paper to the Enterprise and Business Committee<sup>70</sup> or the Draft Budget 2012-13 narrative document.<sup>71</sup>

- The greatest cash increase in revenue DEL in 2012-13 is within the *Education Standards* action in the *Education and Training Standards* SPA, which sees an **increase of £17.3 million, or 76.3 per cent in cash terms**. The budget documentation states that there is a net increase for this action of £14.6 million, or 57.5% between the indicative 2012-13 figures<sup>72</sup> and the 2012-13 draft budget figures. The Minister's paper states that this is partially due to the £7 million transfer detailed above, as well as the identification of savings and reprioritisation of resources allowing an increase of funding to local authorities for the School Effectiveness Grant of £7.6 million in 2012-13.
- The greatest percentage increase in revenue DEL in 2012-13 is in the *Employability of the Workforce* action in the *Skilled Workforce* SPA, which sees an **increase of £12.3 million, or over 100 per cent in cash terms**. The budget documentation states that there is a net increase of £11.3 million between the indicative 2012-13 figures<sup>73</sup> and the 2012-13 draft budget figures. The Minister's paper explains that this is due to the additional allocation of £12.5 million for the Jobs Growth Scheme and the transfer in of £1.1 million in relation to adult literacy and numeracy, offset by the transfer out of £1 million to the BETS MEG in relation to the National Science Academy and a transfer out of £1.35 million to the *Skills in the Workplace* action, (in the *Skilled Workforce* SPA) to create the Skills Growth budget.
- The greatest reduction in revenue DEL in 2012-13, both in cash terms, is in the *Higher Education* action in the *Education and Training Standards* SPA, which sees a **reduction of £14.1 million, or 3.6% in cash terms**. The budget documentation states that there is no change between the indicative 2012-13 figures<sup>74</sup> and the 2012-13 draft budget figures.
- There are only two capital DEL actions/SPAs in the E&S portfolio. The *Estate and IT Provision* action in the *Education and Training Skills* SPA sees a

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<sup>70</sup> National Assembly for Wales, Health and Social Care Committee, [HSC\(4\)-08-11 paper 2: Draft Budget 2012-13 – Paper from the Minister for Health and Social Services](#), 20 October 2011 [accessed 21 October 2011]

<sup>71</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 [accessed 21 October 2011]

<sup>72</sup> As at Supplementary Budget 2011-12, June 2011

<sup>73</sup> As at Supplementary Budget 2011-12, June 2011

<sup>74</sup> *ibid*

**reduction of £8.7 million, or 5.1% in cash terms** in 2012-13. The budget documentation states that there is no change to this action between the indicative 2012-13 figures<sup>75</sup> and the 2012-13 draft budget figures. The *Welsh Language Board* capital action within the SPA of the same name sees an increase of £50,000, or 100 per cent in cash terms in 2012-13. The budget documentation states that there is no change to this action between the indicative 2012-13 figures<sup>76</sup> and the 2012-13 draft budget figures.

The Minister's paper to the Enterprise and Business Committee states in relation to capital:

The capital budget remains unchanged from the indicative budget which presents reductions to £143.8m by 2013-14 from the current budget level of £169.9m. All approved projects are proceeding. The Welsh Government remains committed to the 21<sup>st</sup> Century Schools programme.<sup>77</sup>

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<sup>75</sup> *ibid*

<sup>76</sup> *ibid*

<sup>77</sup> National Assembly for Wales, Enterprise and Business Committee, [EBC\(4\)-06-11 Paper 1 - Evidence from Leighton Andrews and Jeff Cuthbert](#), [Annex 1](#) and [Annex 2](#), 12 October 2011 [accessed 21 October 2011]

Table 12: Year-year change in E&S MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms

Spending Programme Area	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
Education and Training Standards	1,137,490	1,145,476	1,166,719	1,171,319	7,986	0.7	-19,952	-1.8	33,829	3.0	-54,036	-4.8
Skilled Workforce	70,385	82,439	77,039	77,039	12,054	17.1	10,043	14.3	6,654	9.5	875	1.2
Economic and Social Wellbeing and Reducing Inequality	390,758	390,762	401,605	404,640	4	0.0	-9,527	-2.4	13,882	3.6	-16,472	-4.2
Welsh Language	26,255	26,355	26,455	26,455	100	0.4	-543	-2.1	200	0.8	-1,784	-6.8
Delivery Support	5,313	3,148	3,006	3,006	-2,165	-40.7	-2,242	-42.2	-2,307	-43.4	-2,532	-47.7
<b>TOTAL REVENUE</b>	<b>1,630,201</b>	<b>1,648,180</b>	<b>1,674,824</b>	<b>1,682,459</b>	<b>17,979</b>	<b>1.1</b>	<b>-22,221</b>	<b>-1.4</b>	<b>52,258</b>	<b>3.2</b>	<b>-73,950</b>	<b>-4.5</b>
<b>CAPITAL DEL</b>												
Education and Training Skills	169,923	161,243	143,734	143,734	-8,680	-5.1	-12,613	-7.4	-26,189	-15.4	-36,971	-21.8
Welsh Language Board	50	100	100	100	50	100.0	48	95.1	50	100.0	42	85.0
<b>TOTAL CAPITAL</b>	<b>169,973</b>	<b>161,343</b>	<b>143,834</b>	<b>143,834</b>	<b>-8,630</b>	<b>-5.1</b>	<b>-12,565</b>	<b>-7.4</b>	<b>-26,139</b>	<b>-15.4</b>	<b>-36,929</b>	<b>-21.7</b>
<b>AME</b>												
Economic and Social Wellbeing and Reducing Inequality	125,302	150,525	161,285	153,310	25,223	20.1	21,552	17.2	28,008	22.4	16,508	13.2
<b>TOTAL AME</b>	<b>125,302</b>	<b>150,525</b>	<b>161,285</b>	<b>153,310</b>	<b>25,223</b>	<b>20.1</b>	<b>21,552</b>	<b>17.2</b>	<b>28,008</b>	<b>22.4</b>	<b>16,508</b>	<b>13.2</b>
Revenue DEL	1,630,201	1,648,180	1,674,824	1,682,459	17,979	1.1	-22,221	-1.4	52,258	3.2	-73,950	-4.5
Capital DEL	169,973	161,343	143,834	143,834	-8,630	-5.1	-12,565	-7.4	-26,139	-15.4	-36,929	-21.7
<b>TOTAL DEL</b>	<b>1,800,174</b>	<b>1,809,523</b>	<b>1,818,658</b>	<b>1,826,293</b>	<b>9,349</b>	<b>0.5</b>	<b>-34,786</b>	<b>-1.9</b>	<b>26,119</b>	<b>1.5</b>	<b>-110,878</b>	<b>-6.2</b>
Annually Managed Expenditure	125,302	150,525	161,285	153,310	25,223	20.1	21,552	17.2	28,008	22.4	16,508	13.2
<b>TOTAL E&amp;S</b>	<b>1,925,476</b>	<b>1,960,048</b>	<b>1,979,943</b>	<b>1,979,603</b>	<b>34,572</b>	<b>1.8</b>	<b>-13,234</b>	<b>-0.7</b>	<b>54,127</b>	<b>2.8</b>	<b>-94,371</b>	<b>-4.9</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.



## 8. Environment & Sustainable Development (ESD)

This section details the overall figures for the ESD MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions/SPAs of the MEG.

[Table 13](#) provides information on the allocations proposed within the ESD MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The ESD MEG accounts for around **2 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

### ***Total DEL***

Total departmental expenditure limit (DEL) in the ESD MEG shows:

- 2011-12 baseline to 2012-13: **decrease of £2.9 million or 0.9% in cash terms. In real terms this represents a reduction of £10.9 million or 3.3%.**
- Over the budget period (2011-12 to 2014-15): decrease of £6.3 million, or 1.9% in cash terms, representing a reduction of £30.5 million, or 9.3% in real terms.

### ***Revenue DEL***

Revenue DEL in the ESD MEG shows:

- 2011-12 baseline to 2012-13: decrease of £3.9 million or 1.4% in cash terms. In real terms this represents a reduction of £10.4 million or 3.8%.
- Over the budget period (2011-12 to 2014-15): increase of £134,000, or 0% in cash terms, representing a reduction of £20 million, or 7.5% in real terms.

### ***Capital DEL***

Capital DEL in the ESD MEG shows:

- 2011-12 baseline to 2012-13: increase of £1 million or 1.6% in cash terms. In real terms this represents a reduction of £0.5 million or 0.9%.
- Over the budget period (2011-12 to 2014-15): decrease of £6.4 million, or 10.6% in cash terms, representing a reduction of £10.5 million, or 17.3% in real terms.

## AME

There is no AME in the ESD MEG.

### *Additional allocations and transfers*

There have been a number of additional revenue allocations to the ESD MEG, which are stated to have been made from central reserves:

- **£0.5 million in 2012-13, £1.3 million in 2013-14 and £5.6 million in 2014-15 in relation to waste management.** This has gone into the *Manage and Implement the Waste Strategy and Waste Procurement* action in the *Climate Change and Sustainability SPA*.
- **£17.2 million in 2012-13, £16.6 million in 2013-14 and £15.8 million in 2014-15 in relation to animal health.** This is resulting from transfers with DEFRA for the funding of the Veterinary Laboratories Agency activities in Wales. This has gone into the *Protecting and Improving Animal Health and Welfare* action in the SPA of the same name.

The draft budget narrative document states that there have been no other significant changes to the budget.<sup>78</sup>

### *Changes within the ESD MEG 2012-13*

This section details the main changes between 2011-12 and 2012-13 within the ESD MEG at the SPA and action level. Note that where explanations are provided for the changes these have been sourced from the Ministers paper to the Environment and Sustainability Committee<sup>79</sup> or the Draft Budget 2012-13 narrative document.<sup>80</sup>

- The greatest cash increase in revenue DEL in 2012-13 is within the *Sponsor and Manage Delivery Bodies* action within the *Environment SPA*, which sees an **increase of £1.9 million, or 3.1 per cent in cash terms**. The budget documentation states that there is no change for this action between the indicative 2012-13 figures<sup>81</sup> and the 2012-13 draft budget figures.
- The greatest percentage increase in revenue DEL in 2012-13 is in the *Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and*

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<sup>78</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 52) [accessed 21 October 2011]

<sup>79</sup> National Assembly for Wales, Environment and Sustainability Committee, [E&S\(4\)-07-11 paper 2: Draft Budget 2012-13: Department for Environment & Sustainable Development](#), 19 October 2011 [accessed 21 October 2011]

<sup>80</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 [accessed 21 October 2011]

<sup>81</sup> As at Supplementary Budget 2011-12, June 2011

*Legislation* action in the *Climate Change and Sustainability SPA*, which sees an **increase of £1.4 million, or 7.0% in cash terms**. The budget documentation states that there is no change in this action between the indicative 2012-13 figures<sup>82</sup> and the 2012-13 draft budget figures.

- The greatest reduction in revenue DEL in 2012-13, in cash terms, is in the *Manage and Implement the Waste Strategy and Waste Procurement* action in the *Climate Change and Sustainability SPA*, which sees a **reduction of £2.5 million, or 3.1% in cash terms**. The budget documentation states that there is an increase of £0.5 million, or 0.6% in this action between the indicative 2012-13 figures<sup>83</sup> and the 2012-13 draft budget figures. This is due to the additional funding for waste management mentioned above, offset by planned reductions in the indicative figures for 2012-13.
- The greatest increase in capital DEL in 2012-13, in both cash and percentage terms is in the *Manage and Implement the Waste Strategy and Waste Procurement* action in the *Climate Change and Sustainability SPA*, which sees an **increase of £4.4 million, or 75.2% in cash terms**. The budget documentation states that there is no change in this action between the indicative 2012-13 figures<sup>84</sup> and the 2012-13 draft budget figures.
- The greatest reduction in capital DEL in 2012-13, in both cash and percentage terms is in the *Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation* action in the *Climate Change and Sustainability SPA*, which sees a **reduction of £2.4 million, or 13.1% in cash terms**. The budget documentation states that there is no change in this action between the indicative 2012-13 figures<sup>85</sup> and the 2012-13 draft budget figures.

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<sup>82</sup> *ibid*

<sup>83</sup> *ibid*

<sup>84</sup> *ibid*

<sup>85</sup> *ibid*

**Table 13: Year-year change in ESD MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms**

Spending Programme Area	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
Climate Change and Sustainability	117,485	115,885	121,118	125,418	-1,600	-1.4	-4,426	-3.8	7,933	6.8	-1,475	-1.3
Environment	80,768	80,887	77,648	77,648	119	0.1	-1,854	-2.3	-3,120	-3.9	-8,945	-11.1
Planning	7,772	7,403	7,090	7,090	-369	-4.7	-550	-7.1	-682	-8.8	-1,214	-15.6
Protecting and Improving Animal Health and Welfare	41,038	39,454	38,895	38,041	-1,584	-3.9	-2,546	-6.2	-2,997	-7.3	-5,851	-14.3
Evidence Base	404	354	304	304	-50	-12.4	-59	-14.5	-100	-24.8	-123	-30.4
Forestry	21,600	21,200	20,700	20,700	-400	-1.9	-917	-4.2	-900	-4.2	-2,453	-11.4
<b>TOTAL REVENUE</b>	<b>269,067</b>	<b>265,183</b>	<b>265,755</b>	<b>269,201</b>	<b>-3,884</b>	<b>-1.4</b>	<b>-10,352</b>	<b>-3.8</b>	<b>134</b>	<b>0.0</b>	<b>-20,060</b>	<b>-7.5</b>
<b>CAPITAL DEL</b>												
Climate Change and Sustainability	56,209	57,196	50,555	50,555	987	1.8	-408	-0.7	-5,654	-10.1	-9,446	-16.8
Environment	4,600	4,600	3,850	3,850	0	0.0	-112	-2.4	-750	-16.3	-1,039	-22.6
Evidence Base	38	38	38	38	0	0.0	-1	-2.4	0	0.0	-3	-7.5
Forestry	-205	-205	-205	-205	0	0.0	5	-2.4	0	0.0	15	-7.5
<b>TOTAL CAPITAL</b>	<b>60,642</b>	<b>61,629</b>	<b>54,238</b>	<b>54,238</b>	<b>987</b>	<b>1.6</b>	<b>-516</b>	<b>-0.9</b>	<b>-6,404</b>	<b>-10.6</b>	<b>-10,473</b>	<b>-17.3</b>
Revenue DEL	269,067	265,183	265,755	269,201	-3,884	-1.4	-10,352	-3.8	134	0.0	-20,060	-7.5
Capital DEL	60,642	61,629	54,238	54,238	987	1.6	-516	-0.9	-6,404	-10.6	-10,473	-17.3
<b>TOTAL DEL</b>	<b>329,709</b>	<b>326,812</b>	<b>319,993</b>	<b>323,439</b>	<b>-2,897</b>	<b>-0.9</b>	<b>-10,868</b>	<b>-3.3</b>	<b>-6,270</b>	<b>-1.9</b>	<b>-30,532</b>	<b>-9.3</b>
Annually Managed Expenditure	0	0	0	0	0	0.0	0	0.0	0	0.0	0	0.0
<b>TOTAL ESD</b>	<b>329,709</b>	<b>326,812</b>	<b>319,993</b>	<b>323,439</b>	<b>-2,897</b>	<b>-0.9</b>	<b>-10,868</b>	<b>-3.3</b>	<b>-6,270</b>	<b>-1.9</b>	<b>-30,532</b>	<b>-9.3</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.

## 9. Housing, Regeneration & Heritage (HRH)

This section details the overall figures for the HRH MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions/SPAs of the MEG.

[Table 14](#) provides information on the allocations proposed within the HRH MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The HRH MEG accounts for around **4 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

### ***Total DEL***

Total departmental expenditure limit (DEL) in the HRH MEG shows:

- 2011-12 baseline to 2012-13: **decrease of £27.9 million or 4.6% in cash terms. In real terms this represents a reduction of £41.9 million or 7.0%.**
- Over the budget period (2011-12 to 2014-15): decrease of £58.6 million, or 9.7% in cash terms, representing a reduction of £99.2 million, or 16.5% in real terms.

### ***Revenue DEL***

Revenue DEL in the HRH MEG shows:

- 2011-12 baseline to 2012-13: decrease of £5.7 million or 2.0% in cash terms. In real terms this represents a reduction of £12.5 million or 4.4%.
- Over the budget period (2011-12 to 2014-15): decrease of £4.4 million, or 1.5% in cash terms, representing a reduction of £25.4 million, or 8.9% in real terms.

### ***Capital DEL***

Capital DEL in the HRH MEG shows:

- 2011-12 baseline to 2012-13: decrease of £22.2 million or 7.0% in cash terms. In real terms this represents a reduction of £29.4 million or 9.3%.
- Over the budget period (2011-12 to 2014-15): decrease of £54.2 million, or 17.1% in cash terms, representing a reduction of £73.9 million, or 23.3% in real terms.

## **AME**

AME in the HRH MEG shows:

- 2011-12 baseline to 2012-13: increase of £11.2 million, or 16.1% in cash terms. Over the budget period (2011-12 to 2014-15): an increase of £17.5 million, or 25.1% in cash terms.

### ***Additional allocations and transfers***

There have been additional revenue allocations to the HRH MEG, which are stated to have been made from central reserves:

- **£0.4 million in 2012-13 and £0.6 million in each of the 2013-14 and 2014-15** financial years in relation to the **running costs of Cadw**. This has gone into the *Conserve, Protect, Sustain and Promote Access to the Historic Environment* action in the SPA of the same name.
- **£46,000 in 2014-15 in relation to free swimming**. This has gone into the *Delivery of Effective Sports and Physical Activity Programmes* action in the SPA of the same name.<sup>86</sup>

There has also been a revenue transfer within the HRH MEG as follows:

- **£0.3 million** in 2012-13 has been transferred from the *Implementation of Strategic Regeneration Areas* action to the *Manage Delivery of Legacy Regeneration Areas*, both within the *Regeneration* SPA. This is stated to be in support of **existing commitments relating to Cardiff Bay Harbour Authority**.<sup>87</sup>

### ***Changes within the HRH MEG 2012-13***

This section details the main changes between 2011-12 and 2012-13 within the HRH MEG at the SPA and action level. Note that where explanations are provided for the changes these have been sourced from the Ministers paper to the

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<sup>86</sup> National Assembly for Wales, Communities, Equality and Local Government Committee, [CELG\(4\)-05-11 : Paper 2 Evidence paper on the Draft Budget: Minister for Housing, Regeneration and Heritage](#), 13 October 2011 [accessed 21 October 2011]

<sup>87</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 56) [accessed 21 October 2011]

Communities, Equality and Local Government Committee<sup>88</sup> or the Draft Budget 2012-13 narrative document.<sup>89</sup>

- The greatest cash increase in revenue DEL in 2012-13, in both cash and percentage terms is within the *Implementation of Strategic Regeneration Areas* action in the *Regeneration SPA*, which sees an **increase of £0.9 million, or 18.3% in cash terms**. The budget documentation states that there is a net decrease for this action of £0.3 million, or 4.7% between the indicative 2012-13 figures<sup>90</sup> and the 2012-13 draft budget figures. This can be seen to be due to the transfer out of £0.3 million discussed above, offset by increases to the indicative budget between 2011-12 and 2012-13.
- The greatest reduction in revenue DEL in 2012-13, in cash terms, is in the *Enable People to Live Independent Lives* action in the *Housing SPA*, which sees a **reduction of £3.4 million, or 2.3% in cash terms**. The budget documentation states that there is no change between the indicative 2012-13 figures<sup>91</sup> and the 2012-13 draft budget figures.
- The greatest reduction in revenue DEL in 2012-13, in percentage terms, is in the *Community Development* action in the *Regeneration SPA*, which sees a **reduction of £1.1 million to zero in cash terms**. The budget documentation states that there is no change between the indicative 2012-13 figures<sup>92</sup> and the 2012-13 draft budget figures.
- The greatest increase in capital DEL in 2012-13, in both cash and percentage terms, is in the *Foster Usage and Lifelong Learning through Library Services* action in the *Museums, Archives and Libraries SPA*, which sees an **increase of £0.5 million, or 55.5% in cash terms**. The budget documentation states that there is no change between the indicative 2012-13 figures<sup>93</sup> and the 2012-13 draft budget figures.
- The greatest reduction in capital DEL in 2012-13 in cash terms is in the *Achieve Quality Housing* action in the *Housing SPA*, which sees a **reduction of £8.8 million, or 4.9% in cash terms**. The budget documentation states that there is no change between the indicative 2012-13 figures<sup>94</sup> and the 2012-13 draft budget figures.

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<sup>88</sup> National Assembly for Wales, Communities, Equality and Local Government Committee, [CELG\(4\)-05-11 : Paper 2 Evidence paper on the Draft Budget: Minister for Housing, Regeneration and Heritage](#), 13 October 2011 [accessed 21 October 2011]

<sup>89</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 [accessed 21 October 2011]

<sup>90</sup> As at Supplementary Budget 2011-12, June 2011

<sup>91</sup> *ibid*

<sup>92</sup> *ibid*

<sup>93</sup> *ibid*

<sup>94</sup> *ibid*

- The greatest reduction in capital DEL in 2012-13 in percentage terms is in the *Coalfields Regeneration Trust Capital* action in the *Regeneration SPA*, which sees a **reduction of £250,000 to zero in cash terms**. The budget documentation states that there is no change between the indicative 2012-13 figures<sup>95</sup> and the 2012-13 draft budget figures.

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<sup>95</sup> *ibid*



Table 14: Year-year change in HRH MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms

Spending Programme Area	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
Housing	154,765	151,147	151,792	151,792	-3,618	-2.3	-7,305	-4.7	-2,973	-1.9	-14,360	-9.3
Regeneration	14,489	14,336	14,397	14,397	-153	-1.1	-503	-3.5	-92	-0.6	-1,172	-8.1
Support and sustain a strong arts sector via the Arts Council and others	35,397	34,802	35,643	35,643	-595	-1.7	-1,444	-4.1	246	0.7	-2,428	-6.9
Museums, Archives and Libraries	38,191	37,436	37,445	37,445	-755	-2.0	-1,668	-4.4	-746	-2.0	-3,555	-9.3
Delivery of effective sports & physical activity programmes	25,437	24,923	24,853	24,899	-514	-2.0	-1,122	-4.4	-538	-2.1	-2,406	-9.5
Media and Publishing	4,031	3,980	3,926	3,926	-51	-1.3	-148	-3.7	-105	-2.6	-400	-9.9
Conserve, protect, sustain and promote access to the historic environment	11,712	11,658	11,541	11,541	-54	-0.5	-338	-2.9	-171	-1.5	-1,037	-8.9
<b>TOTAL REVENUE</b>	<b>284,022</b>	<b>278,282</b>	<b>279,597</b>	<b>279,643</b>	<b>-5,740</b>	<b>-2.0</b>	<b>-12,527</b>	<b>-4.4</b>	<b>-4,379</b>	<b>-1.5</b>	<b>-25,356</b>	<b>-8.9</b>
<b>CAPITAL DEL</b>												
Housing	249,392	231,970	206,782	206,782	-17,422	-7.0	-23,080	-9.3	-42,610	-17.1	-58,122	-23.3
Regeneration	55,343	51,477	45,888	45,888	-3,866	-7.0	-5,122	-9.3	-9,455	-17.1	-12,897	-23.3
Support and sustain a strong arts sector via the Arts Council and others	460	455	450	450	-5	-1.1	-16	-3.5	-10	-2.2	-44	-9.5
Museums, Archives and Libraries	5,673	4,973	4,043	4,043	-700	-12.3	-821	-14.5	-1,630	-28.7	-1,933	-34.1
Delivery of effective sports & physical activity programmes	345	345	345	345	0	0.0	-8	-2.4	0	0.0	-26	-7.5
Media and Publishing	25	25	25	25	0	0.0	-1	-2.4	0	0.0	-2	-7.5
Conserve, protect, sustain and promote access to the historic environment	5,500	5,313	5,031	5,031	-187	-3.4	-317	-5.8	-469	-8.5	-846	-15.4
<b>TOTAL CAPITAL</b>	<b>316,738</b>	<b>294,558</b>	<b>262,564</b>	<b>262,564</b>	<b>-22,180</b>	<b>-7.0</b>	<b>-29,364</b>	<b>-9.3</b>	<b>-54,174</b>	<b>-17.1</b>	<b>-73,870</b>	<b>-23.3</b>
<b>AME</b>												
Museums, Archives and Libraries	2,265	2,490	2,740	2,740	225	9.9	164	7.3	475	21.0	269	11.9
Housing	-72,000	-61,000	-55,000	-55,000	11,000	15.3	12,488	17.3	17,000	23.6	21,126	29.3
<b>TOTAL AME</b>	<b>-69,735</b>	<b>-58,510</b>	<b>-52,260</b>	<b>-52,260</b>	<b>11,225</b>	<b>16.1</b>	<b>12,652</b>	<b>18.1</b>	<b>17,475</b>	<b>25.1</b>	<b>21,395</b>	<b>30.7</b>
Revenue DEL	284,022	278,282	279,597	279,643	-5,740	-2.0	-12,527	-4.4	-4,379	-1.5	-25,356	-8.9
Capital DEL	316,738	294,558	262,564	262,564	-22,180	-7.0	-29,364	-9.3	-54,174	-17.1	-73,870	-23.3
<b>TOTAL DEL</b>	<b>600,760</b>	<b>572,840</b>	<b>542,161</b>	<b>542,207</b>	<b>-27,920</b>	<b>-4.6</b>	<b>-41,892</b>	<b>-7.0</b>	<b>-58,553</b>	<b>-9.7</b>	<b>-99,226</b>	<b>-16.5</b>
Annually Managed Expenditure	-69,735	-58,510	-52,260	-52,260	11,225	16.1	12,652	18.1	17,475	25.1	21,395	30.7
<b>TOTAL HRH</b>	<b>531,025</b>	<b>514,330</b>	<b>489,901</b>	<b>489,947</b>	<b>-16,695</b>	<b>-3.1</b>	<b>-29,240</b>	<b>-5.5</b>	<b>-41,078</b>	<b>-7.7</b>	<b>-77,831</b>	<b>-14.7</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.

## 10. Central Services & Administration (CSA)

This section details the overall figures for the CSA MEG, provides details of additional allocations and transfers, and summarises the greatest changes in the actions/SPAs of the MEG.

[Table 15](#) provides information on the allocations proposed within the CSA MEG at SPA level, showing the year on year changes in 2012-13 and the cumulative changes over the budget period.

The CSA MEG accounts for around **2 per cent** of the Welsh Government's total DEL allocation in each of the years of the budget period (2011-12 to 2014-15).

### ***Total DEL***

Total departmental expenditure limit (DEL) in the CSA MEG shows:

- 2011-12 baseline to 2012-13: **decrease of £12.6 million or 3.5% in cash terms. In real terms this represents a reduction of £21.2 million or 5.8%.**
- Over the budget period (2011-12 to 2014-15): decrease of £30.3 million, or 8.4% in cash terms, representing a reduction of £55.3 million, or 15.2% in real terms.

### ***Revenue DEL***

Revenue DEL in the CSA MEG shows:

- 2011-12 baseline to 2012-13: decrease of £10.4 million or 3.1% in cash terms. In real terms this represents a reduction of £18.2 million or 5.5%.
- Over the budget period (2011-12 to 2014-15): decrease of £24.9 million, or 7.5% in cash terms, representing a reduction of £48 million, or 14.5% in real terms.

### ***Capital DEL***

Capital DEL in the CSA MEG shows:

- 2011-12 baseline to 2012-13: decrease of £2.3 million or 7.3% in cash terms. In real terms this represents a reduction of £3.0 million or 9.6%.
- Over the budget period (2011-12 to 2014-15): decrease of £5.4 million, or 17.6% in cash terms, representing a reduction of £7.3 million, or 23.8% in real terms.

## **AME**

AME in the CSA MEG shows:

- 2011-12 baseline to 2012-13: decrease of £0.7 million, or 67.0% in cash terms. In real terms this represents a decrease of £0.7 million or 62.9%.
- Over the budget period (2011-12 to 2014-15): an increase of £0.2 million, or 22.9% in cash terms.

### ***Additional allocations and transfers***

There has been an additional revenue allocation to the CSA MEG, which is stated to have been made from central reserves:

- **£0.4 million in each of the three years of the budget period in relation to the transfer of funding for animal health from DEFRA.** It is unknown which action/SPA this funding has gone into.

There have been revenue transfers with other MEGs as follows:

- **£0.3 million** has been transferred to the HSSC MEG in relation to the **WHSSC running costs**. It is unknown which action/SPA this funding has come from in the CSA MEG.
- **£0.2 million** has been transferred in from the E&S MEG, in relation to the transfer of responsibility for the **SEN Tribunal for Wales**. It is unknown which action/SPA this funding has gone into.

There have also been a number of internal transfers between actions within the MEG:

- The *Location Strategy* actions (both revenue and capital) in the *Central Running Costs* SPA have been **reduced to zero** in 2012-13. This is stated to be due to the **closure of the Location Strategy** following the completion of the Welsh Government offices in Aberystwyth and Llandudno Junction. Part of this budget has transferred into the *General Administration* action in the *Central Running Costs* SPA to fund the on-going costs of the new offices, and the remainder transfers to the *Enabling Government* action in the *Central Running Costs* SPA to support business improvement activity.<sup>96</sup>

### ***Changes within the CSA MEG 2012-13***

This section details the main changes between 2011-12 and 2012-13 within the CSA MEG at the SPA and action level.

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<sup>96</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 62) [accessed 21 October 2011]

- The greatest cash increase in revenue DEL in 2012-13 is within the *General Administration* action in the *Central Running Costs* SPA, which sees an **increase of £4.1 million, or 10.8 per cent in cash terms**. The budget documentation states that there is a net increase for this action of £0.7 million, or 1.8% between the indicative 2012-13 figures<sup>97</sup> and the 2012-13 draft budget figures. This is most likely due to a transfer from the *Location Strategy* action as detailed above.
- The greatest percentage increase in revenue DEL in 2012-13 is in the *Public Appointments* action in the *Information and Support Services* SPA, which sees an **increase of £0.2 million, or over 100 per cent in cash terms**. The budget documentation states that there is a net increase of £0.2 million, or over 100 per cent between the indicative 2012-13 figures<sup>98</sup> and the 2012-13 draft budget figures.
- The greatest reduction in revenue DEL in 2012-13 in cash terms is in the *Staff Costs* action in the *Delegated Running Costs* SPA, which sees a **reduction of £10 million, or 4.7% in cash terms**. The budget documentation states that there is a net increase of £1.2 million, or 0.6% between the indicative 2012-13 figures<sup>99</sup> and the 2012-13 draft budget figures. This increase is stated to result from the re-prioritisation of budgets away from contracted out services towards more internal service provision.<sup>100</sup>
- The greatest reduction in revenue DEL in percentage terms in 2012-13 is in the *Location Strategy* action in the *Central Running Costs* SPA, which sees a **reduction of £3.7 million to zero**. The budget documentation states that there is a net decrease of £3.4 million, or over 100 per cent between the indicative 2012-13 figures<sup>101</sup> and the 2012-13 draft budget figures. This is stated to be due to the closure of the *Location Strategy* and the transfer of this budget to other actions, as detailed above.
- The greatest cash and percentage increase in capital DEL in 2012-13 is within the *Enabling Government* action in the *Central Running Costs* SPA, which sees an **increase of £2.9 million, or over 100 per cent in cash terms**. The budget documentation states that there is a net increase for this action of £3 million, or over 100 per cent between the indicative 2012-13 figures<sup>102</sup> and the 2012-13 draft budget figures. This is most likely due to a transfer from the *Location Strategy* action as detailed above.

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<sup>97</sup> As at Supplementary Budget 2011-12, June 2011

<sup>98</sup> *ibid*

<sup>99</sup> *ibid*

<sup>100</sup> Welsh Government, [Draft Budget 2012-13 narrative](#), October 2011 (page 62) [accessed 21 October 2011]

<sup>101</sup> As at Supplementary Budget 2011-12, June 2011

<sup>102</sup> *ibid*

- The greatest reduction in capital DEL in 2012-13 in both cash and percentage terms is in the *Location Strategy* action in the *Central Running Costs* SPA, which sees a **reduction of £3 million, to zero in cash terms**. The budget documentation states that there is a net decrease of £3 million, to zero between the indicative 2012-13 figures<sup>103</sup> and the 2012-13 draft budget figures. This is stated to be due to the closure of the Location Strategy and the transfer of this budget to other actions, as detailed above.

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<sup>103</sup> *ibid*

Table 15: Year-year change in CSA MEG, 2011-12 to 2012-13 and cumulative change over budget period, cash and real terms

Spending Programme Area	2011-12 baseline Draft Budget	2012-13 Draft Budget	2013-14 indicative Draft Budget	2014-15 indicative Draft Budget	Change 2011-12 to 2012-13		Real terms change 2011-12 to 2012-13		Cumulative change 2011-12 to 2014-15		Real terms cumulative change 2011-12 to 2014-15	
	£000	£000	£000	£000	£000	per cent	£000	per cent	£000	per cent	£000	per cent
<b>REVENUE DEL</b>												
Delegated Running Costs	214,326	204,340	194,099	194,099	-9,986	-4.7	-14,970	-7.0	-20,227	-9.4	-34,787	-16.2
Central Running Costs	91,176	91,377	88,083	88,083	201	0.2	-2,028	-2.2	-3,093	-3.4	-9,700	-10.6
Information & Support Services	11,524	11,377	11,035	11,035	-147	-1.3	-424	-3.7	-489	-4.2	-1,317	-11.4
Central Programmes	14,804	14,361	13,682	13,682	-443	-3.0	-793	-5.4	-1,122	-7.6	-2,148	-14.5
<b>TOTAL REVENUE</b>	<b>331,830</b>	<b>321,455</b>	<b>306,899</b>	<b>306,899</b>	<b>-10,375</b>	<b>-3.1</b>	<b>-18,215</b>	<b>-5.5</b>	<b>-24,931</b>	<b>-7.5</b>	<b>-47,953</b>	<b>-14.5</b>
<b>CAPITAL DEL</b>												
Central Running Costs	11,982	11,145	9,935	9,935	-837	-7.0	-1,109	-9.3	-2,047	-17.1	-2,792	-23.3
Central Programmes	18,738	17,319	15,378	15,378	-1,419	-7.6	-1,841	-9.8	-3,360	-17.9	-4,514	-24.1
<b>TOTAL CAPITAL</b>	<b>30,720</b>	<b>28,464</b>	<b>25,313</b>	<b>25,313</b>	<b>-2,256</b>	<b>-7.3</b>	<b>-2,950</b>	<b>-9.6</b>	<b>-5,407</b>	<b>-17.6</b>	<b>-7,306</b>	<b>-23.8</b>
<b>AME</b>												
Central Running Costs	-1,100	-1,837	-1,366	-848	-737	-67.0	-692	-62.9	252	22.9	316	28.7
<b>TOTAL AME</b>	<b>-1,100</b>	<b>-1,837</b>	<b>-1,366</b>	<b>-848</b>	<b>-737</b>	<b>-67.0</b>	<b>-692</b>	<b>-62.9</b>	<b>252</b>	<b>22.9</b>	<b>316</b>	<b>28.7</b>
Revenue DEL	331,830	321,455	306,899	306,899	-10,375	-3.1	-18,215	-5.5	-24,931	-7.5	-47,953	-14.5
Capital DEL	30,720	28,464	25,313	25,313	-2,256	-7.3	-2,950	-9.6	-5,407	-17.6	-7,306	-23.8
<b>TOTAL DEL</b>	<b>362,550</b>	<b>349,919</b>	<b>332,212</b>	<b>332,212</b>	<b>-12,631</b>	<b>-3.5</b>	<b>-21,166</b>	<b>-5.8</b>	<b>-30,338</b>	<b>-8.4</b>	<b>-55,258</b>	<b>-15.2</b>
Annually Managed Expenditure	-1,100	-1,837	-1,366	-848	-737	-67.0	-692	-62.9	252	22.9	316	28.7
<b>TOTAL CSA</b>	<b>361,450</b>	<b>348,082</b>	<b>330,846</b>	<b>331,364</b>	<b>-13,368</b>	<b>-3.7</b>	<b>-21,858</b>	<b>-6.0</b>	<b>-30,086</b>	<b>-8.3</b>	<b>-54,943</b>	<b>-15.2</b>

Research Service calculations from Welsh Government's Draft Budget 2012-13.