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Welsh Government

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Supplementary Budget 2015-2016

Explanatory Note

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1. Introduction

- 1.1** The Welsh Government today tabled the Second Supplementary Budget for 2015-16 in accordance with Standing Order 20. This Supplementary Budget amends the previous Supplementary Budget approved by the Assembly on 14 July 2015.
- 1.2** This Supplementary Budget reflects reprioritisations within portfolios, budget transfers between portfolios and makes a number of allocations from reserves. Adjustments have also been made to the Wales DEL Budget to reflect transfers with UK Government Departments.
- 1.3** This Supplementary Budget also reflects the reduction to the Wales DEL Budget as a result of the UK Government's Summer Budget announced on 8 July 2015.
- 1.4** Changes proposed in this Supplementary Budget are summarised in Tables 1.1 to 1.4. Further details are available in the Departmental Chapters.
- 1.5** This document supports the detailed Action Tables available on the Welsh Government's website.
- 1.6** A reconciliation between the Welsh Block Budget and Resource Allocations in the Budget Motion is provided at Annex 1.

Table 1.1 – Allocation of the Wales DEL – Supplementary Budget

MAIN EXPENDITURE GROUPS (MEGs)		£000s		
		Budget ¹ 2015-16	Changes	Revised Budget 2015-16
Departmental Expenditure Limits (DEL)				
Health and Social Services		6,706,829	117,648	6,824,477
Local Government		3,453,107	-167	3,452,940
Communities and Tackling Poverty		736,934	29,593	766,527
Economy, Science & Transport		1,114,674	152,369	1,267,043
Education and Skills		1,762,843	35,113	1,797,956
Natural Resources		404,238	14,062	418,300
Central Services and Administration		322,912	-7,065	315,847
Total Allocated to Welsh Government Departments		14,501,537	341,553	14,843,090
Resource Reserves	Fiscal Resource DEL	194,775	-86,407	108,368
	Non-Fiscal Resource DEL	208,209	-105,906	102,303
Capital Reserves		73,776	-69,427	4,349
Assembly Commission		51,100	0	51,100
Public Services Ombudsman for Wales		4,309	0	4,309
Auditor General for Wales		6,306	0	6,306
Direct Charges to the Welsh Consolidated Fund		594	0	594
Total Expenditure within the Wales DEL Budget		15,040,606	79,813	15,120,419

¹ Budget figures as per Supplementary Budget Motion approved July 2015.

Table 1.2 – Changes to the Welsh Government Resource DEL

MAIN EXPENDITURE GROUPS (MEGs)	£000s Fiscal Resource			£000s Non-Fiscal Resource		
	Budget ² 2015-16	Changes	Revised Budget 2015-16	Budget ³ 2015-16	Changes	Revised Budget 2015-16
Health and Social Services	6,302,279	124,529	6,426,808	170,000	2,000	172,000
Local Government	3,429,780	-160	3,429,620	407	-7	400
Communities and Tackling Poverty	341,514	2,093	343,607	0	500	500
Economy, Science and Transport	511,797	-522	511,275	116,677	108,200	224,877
Education and Skills	1,482,078	4,913	1,486,991	106,931	0	106,931
Natural Resources	285,218	450	285,668	3,340	8,809	12,149
Central Services and Administration	295,477	-16,229	279,248	16,000	0	16,000
Total Allocation to Welsh Government Departments	12,648,143	115,074	12,763,217	413,355	119,502	532,857

² Budget figures as per Supplementary Budget Motion approved July 2015.

³ Budget figures as per Supplementary Budget Motion approved July 2015.

Table 1.3 – Changes to the Welsh Government Capital DEL

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Budget ⁴ 2015-16	Changes	Revised Budget 2015-16
Health and Social Services	234,550	-8,881	225,669
Local Government	22,920	0	22,920
Communities and Tackling Poverty	395,420	27,000	422,420
Economy, Science and Transport	486,200	44,691	530,891
Education and Skills	173,834	30,200	204,034
Natural Resources	115,680	4,803	120,483
Central Services and Administration	11,435	9,164	20,599
Total Allocation to Welsh Government Departments	1,440,039	106,977	1,547,016

⁴ Budget figures as per Supplementary Budget Motion approved July 2015.

Table 1.4 – Wales AME Budget

MAIN EXPENDITURE GROUPS (MEGs)	£000s		
	Resource		
	Budget ⁵ 2015-16	Changes	Revised Budget 2015-16
Health and Social Services	195,400	-104,700	90,700
Local Government	980,593	1,537	982,130
Communities and Tackling Poverty	0	0	0
Economy, Science & Transport	75,331	615	75,946
Education and Skills	338,804	-235,515	103,289
Natural Resources	2,900	-500	2,400
Central Services and Administration	9,494	-7,766	1,728
Total Welsh Government AME Budget	1,602,522	-346,329	1,256,193
Assembly Commission	1,200	0	1,200
Public Services Ombudsman for Wales	-246	277	31
Total Welsh AME Budget	1,603,476	-346,052	1,257,424

⁵ Budget figures as per Supplementary Budget Motion approved July 2015.

2. Key Allocations from Reserves⁶

2.1 This Supplementary Budget formalises a number of allocations from reserves, many of which are in line with previous announcements made by the Welsh Government during the course of the year. The key allocations are summarised below.

Increased NHS Funding

2.2 Our original budget plans provided an additional £225m Resource funding for the NHS in Wales for 2015-16 in order to deliver high quality, sustainable health and social services.

2.3 In January 2015 we announced a further £70m of Resource funding to the health service in 2015-16 following the UK Government's Autumn Statement. Similarly we allocated £14.6m for Mental Health in 2015-16 following the UK budget. These allocations were reflected in the First Supplementary Budget published in June 2015.

2.4 In September 2015, the Minister for Finance and Government Business announced an additional funding package of £58.8m to support the NHS in Wales. Funding of £45 million was provided to drive a number of initiatives within the service, targeted at improving performance in the service in 2015-16. The balance of £13.8 million was allocated to support the Welsh NHS in meeting the additional costs associated with the introduction of a number of treatments approved this year. They include Sofosbuvir, which is used in the treatment of Hepatitis C and a new treatment for atypical Haemolytic Uraemic Syndrome (aHUS).

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

2.5 In addition this budget allocates an additional £45m from reserves to address winter pressures as announced by the Minister for Health and Social Services on 10 February 2016.

2.6 This response demonstrates our clear commitment to a sustainable NHS in Wales based on the reforms outlined in the Nuffield report.

Wales Infrastructure Investment Plan Allocations

2.7 The Wales Infrastructure Investment Plan for Growth and Jobs identifies our priorities as a pro-business Government. This Supplementary Budget provides for allocations of an additional £63m of financial transactions funding to support the Welsh economy by supporting businesses across the length and breadth of the country.

2.8 This includes initiatives such as the Wales Micro Business Loan Fund to improve access to finance for micro-businesses and the Business Growth SME business Fund to help realise the potential of fast growing medium sized companies and the JEREMIE Successor Fund.

Building New Schools

2.9 A total of £23m is allocated to 21st Century School projects across all 22 local authorities, supporting the rebuild and refurbishment of over 150 schools and colleges and supporting up to 300 jobs.

Investment in Social Housing

2.10 Additional funding of £20m is made available for Social Housing Grant which will help build approximately 230 affordable homes across Wales and support up to 500 jobs.

3. Key changes in the Supplementary Budget⁷

3.1 The key changes are summarised below.

Adjustments to Resource and Capital Baselines.

Fiscal Resource

3.2 There is a net increase to the Fiscal Resource DEL baseline of £28.8m, comprising:

- A decrease of £42.6m resulting from the in-year budget cuts announced by the UK Government on 8 July 2015;
- An increase of £25.5m consequential funding arising from UK Government decisions:
- An increase of £2.3m from HM Treasury in respect of Wales' share of the Coastal Community Fund;
- An increase of £3.8m from HM Treasury in respect of EU Structural Funds;
- An increase of £0.2m from HM Treasury in respect of cash management rebate;
- An increase of £0.3m as a result of transfers with Other Government Departments;
- A decrease of £30m as a result of a switch to Capital within the Welsh Government DEL as agreed with HM Treasury; and
- An increase of £69.3m in respect of funding brought forward from 2014-15 under the Budget Exchange System.

⁷ Figures in this section have been rounded to one decimal place. These allocations are reflected in the Action Tables on the Welsh Government website.

3.3 In addition Health and Social Services have released £9.6m Capital from programme slippages in return for Resource budgets to facilitate management of pressures. This does not affect the overall Wales DEL baseline position as the transfer is being managed within total resources.

Non-Fiscal Resource

3.4 There is a net increase to the Non-Fiscal Resource DEL baseline of £13.6m in respect of funding brought forward from 2014-15 under the Budget Exchange System.

Capital

3.5 There is a net increase to the Capital DEL baseline of £37.4m, comprising:

- A decrease of £7.4m resulting from the in-year budget cuts announced by the UK Government on 8 July 2015;
- An increase of £1.5m following a transfer from the Department of Energy and Climate Change in respect of the Green Deal;
- An increase of £10m from the Department for Culture, Media and Sport (DCMS) in respect of the Next Generation Broadband Wales project;
- An increase of £30m as a result of a switch from Resource within the Welsh Government DEL agreed with HM Treasury; and
- An increase of £3.3m in respect of funding brought forward from 2014-15 under the Budget Exchange System.

3.6 In addition, Central Services and Administration have transferred £5.9m between Resource and Capital budgets which switches revenue funding to Invest to Save and IT capital projects.

This does not affect the overall Wales DEL baseline position as the transfer is being managed within total resources.

Allocations to Welsh Government Departments from Reserves

Fiscal Resource DEL

- 3.7** There is a net transfer from reserves of £112.4m, comprising:
- £105.6m to the Health and Social Services MEG, which comprises:
 - £45m announced, in September 2015, to support the NHS in improving services;
 - £45m announced, in February 2016, to help with winter pressures in the NHS;
 - £13.8m to fund new drugs to tackle Hepatitis C and aHUS as announced in September 2015; and
 - £1.75m funding for the Air Ambulance Service.
 - £0.2m to the Economy Science and Transport MEG to fund World War 1 commemorations.
 - £11.3m to the Education and Skills MEG in respect of increased demand for the Welsh Government Learning Grant.
 - £1.8m to the Natural Resources MEG, which comprises:
 - £1.5m in respect of funding for the British Cattle Movement Service; and
 - £0.3m in respect of decontamination of land in Wrexham.
 - £3.8m to the Central Services and Administration MEG to support EU Structural Funds Programmes.

Non-Fiscal Resource DEL

- 3.8** There is a net transfer from reserves of £119.5m, comprising:
- £2m to the Health and Social Services MEG for additional depreciation on NHS assets;
 - £0.5m to the Communities and Tackling Poverty MEG in respect of the valuation of the Regeneration Investment Fund for Wales (RIFW);
 - £108.2m to the Economy, Science and Transport MEG in respect of additional depreciation charges relating to the trunk road network; and

- £8.8m to the Natural Resources MEG in respect of depreciation of assets including those held by Natural Resources Wales.

Capital DEL

3.9 There is a net transfer from reserves of £114.4m, comprising:

- £27m to the Communities and Tackling Poverty MEG in respect of the following schemes:
 - £7m - Additional funding for the Land for Affordable Housing Scheme;
 - £20m – Additional allocation to the Social Housing Grant.
- £49.3m to the Economy, Science and Transport MEG, comprising:
 - £15m for the Wales Business Fund;
 - £10m for Interim Technology Venture Investment Fund;
 - £7.7m to support strategic business investment;
 - £5m for the Business Growth SME Fund;
 - £3m for Cardiff Airport commercial loan;
 - £3m for the Micro Business Fund;
 - £2.7m for the Property Development Fund;
 - £1.5m for Llangefni Link Road;
 - £1.2m for Northern Gateway: and
 - £0.2m in respect of World War 1 commemorations.
- £30.2m to the Education and Skills MEG in respect of the following schemes:
 - £23m to design and build 21st Century Schools;
 - £4.5m for Aberdare Campus of Coleg Y Cymoedd; and
 - £2.7m for the Aerospace training facility.

- £7.8m to the Natural Resources MEG in respect of the following schemes:
 - £5m for the Green Growth Fund;
 - £2.5m for the Canal works ; and
 - £0.3m for the Pentreclwydau landslip repair project.

Amounts transferred to Reserves by Welsh Government Departments Fiscal Resource

3.10 A net transfer to reserves of £14m, comprising:

- £6.2m from the Education and Skills MEG in respect of Schools Challenge Cymru;
- £5.6m in respect of contributions to the Education and Skills MEG for the funding of the Welsh Government Learning Grant, comprising:
 - £3.5m from the Health and Social Services MEG;
 - £1.4m from the Local Government MEG;
 - £0.2m from the Communities and Tackling Poverty MEG;
 - £0.3m from the Economy, Science and Transport MEG; and
 - £0.2m from the Natural Resources MEG; and
- £2.2m from the Natural Resources MEG in respect of wind farm income received by Natural Resources Wales.

Capital

3.11 A net transfer to reserves of £15.1m from the Economy, Science and Transport MEG in respect of in-year loan repayments on borrowings made by Finance Wales plc.

4. Budget Exchange System and Reserves⁸

- 4.1** As part of the agreement between the Devolved Administrations and the UK Government, the Welsh Government is able to carry forward underspends, up to an agreed cap, during the Spending Review period. The agreed cap is 0.6% of the Resource DEL budget and 1.5% of the Capital DEL budget. However we have secured additional flexibility of £50m in the available Resource carried forward.
- 4.2** For 2015-16, this means that the cap will be £131.4m for Resource DEL, which includes £127.6m Fiscal Resource DEL and £3.8m Non-Fiscal Resource DEL, £23.3m for Capital.
- 4.3** Reserves are held in contingency and are available to cover any unforeseen events. These currently comprise £210.7m Resource DEL, which includes £108.4m Fiscal Resource DEL and £102.3m Non-Fiscal Resource DEL, and £4.3m Capital DEL.
- 4.4** We will carry forward any unused reserves and any departmental underspends up to the agreed cap under the Budget Exchange System. The final amount carried forward will follow the publication of the Welsh Government's Annual Accounts.
- 4.5** Cabinet will decide on how best to utilise the funding in 2016-17. Some of the funding has been earmarked for projects delivering in 2016-17.

⁸ Figures in this section have been rounded to one decimal place.

5. Health and Social Services

Overall Budget Changes

5.1 There has been an increase in the Health and Social Services DEL of £117,648k comprising an increase in Resource of £126,529k and a decrease in Capital of £8,881k.

AME

5.2 The AME budget has decreased by £104.700k to reflect latest forecasts from NHS organisations.

UK Government Transfers

5.3 The net impact of transfers with the UK Government is an increase of £804k into the Delivery of Core NHS Services action from the Home Office in respect of the Immigration Health Surcharge.

Resource Changes

5.4 The net impact of transfers from reserves is an increase of £113,698k comprising:

- £45,000k to the Delivery of Core NHS Services Action, which was announced in September 2015, to support service improvement in the NHS;
- £45,000k to the Delivery of Core NHS Services Action which was announced in February 2016 to help with winter pressures in the NHS;
- £13,800k to the Delivery of Core NHS Services Action, which was announced in September 2015, in respect of the cost of high cost drugs;
- £1,750k to the Delivery of Core NHS Services Action in respect of Air Ambulance;
- £3,500k contribution from the Delivery of Targeted NHS Services Action reflecting the Health and Social Services MEG contribution to

support delivery of the Welsh Government Learning Grant in the Education and Skills MEG; and

- £2,000k for Non-Fiscal Resource, to the Delivery of Core NHS Services Action, in relation to increased depreciation cover for assets in NHS Organisations.

5.5 There has been a transfer within the MEG the net impact of which is an increase in Resource of £9,648k due to a Capital to Resource switch. The Action Tables show the net impact of this.

5.6 The net impact of transfers with other MEGs is an increase of £12,027k, comprising the following adjustment above £250k:

- £11,827k in to the Delivery of Targeted NHS Services Action from the Central Services and Administration MEG in respect of Invest-to-Save Schemes, comprising:
 - £7,900k from the Invest to Save Fund Action; and
 - £3,927k from the Invest to Save Fund Repayment of Investments Action.

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

Delivery of Core NHS Services Action

- A net transfer in of £31,999k including:
 - £31,984k in from the Delivery of Targeted NHS Services Action to supplement NHS core allocation funding;

Delivery of Targeted NHS Services Action

- A net transfer out of £27,476k, including:
 - £31,984k out to the Delivery of Core NHS Services Action to supplement NHS core allocation funding;

- £1,954k in from the Support Education & Training of NHS Workforce Action in respect of savings identified to manage in year pressures;
- £1,123k in from the Promote Healthy Improvement & Healthy Working Action in respect of savings identified to manage in year pressures;
- £851k in from the Tackle Health Inequalities & Develop Partnership Working Action in respect of savings identified to manage in year pressures;
- £373k in from the Deliver Targeted Health Protection & Immunisation Activity Action in respect of savings identified to manage in year pressures.

Support Education & Training of the NHS Workforce Action

- A net transfer out of £2,055k, including:
 - A transfer out of £1,954k to the Delivery of Targeted NHS Services Action in respect of savings identified to manage in year pressures.

Deliver Targeted Health Protection & Immunisation Activity Action

- A transfer out of £373k to the Delivery of Targeted NHS Services Action in respect of savings identified to manage in year pressures.

Promote Healthy Improvement & Healthy Working Action

- A net transfer out of £1,123k to the Delivery of Targeted NHS Services Action in respect of savings identified to manage in year pressures.

Tackle Health Inequalities & Develop Partnership Working Action

- A transfer out of £851k to the Delivery of Targeted NHS Services Action in respect of savings identified to manage in year pressures.

Children's Social Services Action

- A net transfer out of £950k including:
 - A transfer out of £824k to the Social Services Strategy Action in respect of reprioritisation within the spending programme area.

Adult and Older People Action

- A transfer out of £1,351k to the Social Services Strategy Action in respect of reprioritisation within the spending programme area.

Social Services Strategy Action

- A net transfer in of £2,175k in respect of reprioritisation within the spending programme area comprising:
 - A transfer in of £824k from the Children's Social Services Action; and in respect of reprioritisation within the spending programme area; and
 - A transfer in of £1,351k from the Adult and Older People Action.

Capital Changes

5.8 There has been a transfer within the MEG the net impact of which is a decrease in Capital of £9,648k due to a Capital to Resource switch. The Action Tables show the net impact of this.

5.9 The net impact of transfers with other MEGs is an increase of £767k, which comprises a transfer in from the Invest-to-Save Fund Action within the Central Services and Administration MEG in respect of Invest-to-Save Schemes.

Table 5.1 – Health and Social Services SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ⁹	Changes	Revised Budget	Budget ¹⁰	Changes	Revised Budget
NHS Delivery	6,010,516	130,852	6,141,368	220,275	-8,881	211,394
Health Central Budgets	231,155	-2,080	229,075	5,072	0	5,072
Public Health and Prevention	158,576	-2,362	156,214	4,492	0	4,492
Social Services	61,870	-81	61,789	4,711	0	4,711
CAFCASS Cymru	10,162	200	10,362	0	0	0
Total DEL	6,472,279	126,529	6,598,808	234,550	-8,881	225,669
AME						
NHS Impairments	195,400	-104,700	90,700	0	0	0
Total Managed Expenditure (TME)	6,667,679	21,829	6,689,508	234,550	-8,881	225,669

⁹ Budget figures as per Supplementary Budget Motion approved July 2015.

¹⁰ Budget figures as per Supplementary Budget Motion approved July 2015.

6. Local Government

Overall Budget Changes

- 6.1** There has been a net decrease in the Local Government DEL of £167k, comprising a decrease in Resource.

AME

- 6.2** The Resource AME within the Funding Support for Local Government Action has decreased by £3,703k. This reflects the actual in-year costs in respect of Fire Service Pensions.

The Capital AME has increased by £5,240k in reflecting the settlement of the Fire Fighters Pension Ombudsman's case.

Resource Changes

- 6.3** The net impact of transfers with reserves is a decrease of £1,407k comprising:
- a transfer out of £1,400k from the Funding Support for Local Government Action reflecting the Local Government MEG contribution to the Welsh Government Learning Grant in the Education and Skills MEG; and
 - a Non-Fiscal Resource transfer out of £7k from the Valuation Services Action.
- 6.4** The net impact of transfers with other MEGs is an increase of £1,240k as a result of the transfer of the Academi Wales budget from the Central Services and Administration MEG.
- 6.5** There have been a number of transfers within the MEG, the net impact of which is neutral. The action tables show the impact of these on each Action. Below is a breakdown of specific transfers above £250k:

Funding Support for Local Government Action

- A net transfer out of £862k including:
 - £825k out to the Valuation Services Action to relieve the pressure on the Valuation Office Agency budget;
 - £570k out to the Fire and Rescue Resilience Action for Emergency Service communication costs;
 - £347k out to the Healthcare Inspectorate Wales Action;
 - £449 in from the Supporting Collaboration and Reform Action; and
 - £270k in from the Local Government Improvement action for Local Government Reform.

Valuation Services Action

- A transfer in of £825k from the Funding Support for Local Government Action to relieve the pressure on the Valuation Office Agency budget.

Fire and Rescue Services Resilience Action

- A net transfer in of £1,000k for Emergency Service communication costs, comprising:
 - £570k in from the Funding Support for Local Government Action; and
 - £430k in from the Supporting Collaboration and Reform Action.

Local Government Improvement Action

- A transfer out of £270k to the Funding Support for Local Government Action for Local Government Reform.

Supporting Collaboration and Reform Action

- A net transfer out of £1,029k including:
 - £449k out to the Funding Support for Local Government Action; and

- £430k out to the Fire and Rescue Resilience Action for Emergency Service communication costs.

Health Inspectorate Wales Action

- A transfer in of £347k from the Funding Support for Local Government Action.

Capital Changes

- 6.6** There has been a transfer of £273k from the Fire and Rescue Services Resilience Action to the Domestic Abuse Action to relieve the pressure on the Domestic Abuse Services budget.

Table 6.1 – Local Government SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ¹¹	Changes	Revised Budget	Budget ¹²	Changes	Revised Budget
Local Government Funding	3,351,068	-1,444	3,349,624	20,000	0	20,000
Safer Communities	15,107	1,030	16,137	2,639	0	2,639
Improving Services, Collaboration and Delivery	34,831	-220	34,611	0	0	0
Care and Social Services Inspectorate	14,461	120	14,581	0	0	0
Healthcare Inspectorate Wales	3,056	347	3,403	0	0	0
Estyn	11,664	0	11,664	281	0	281
Total DEL	3,430,187	-167	3,430,020	22,920	0	22,920
AME						
Local Government Funding	980,593	-3,703	976,890	0	5,240	5,240
Total Managed Expenditure (TME)	4,410,780	-3,870	4,406,910	22,920	5,240	28,160

¹¹ Budget figures as per Supplementary Budget Motion Approved July 2015.

¹² Budget figures as per Supplementary Budget Motion Approved July 2015.

7. Communities and Tackling Poverty

Overall Budget Changes

7.1 There has been a net increase in the Communities and Tackling Poverty DEL of £29,593k, comprising an increase in Resource of £2,593k and an increase in Capital of £27,000k.

UK Government Transfers

7.2 There has been a transfer in of £2,293k to the Regeneration Action (Resource) from HM Treasury in respect of the Coastal Communities Fund, which supports the economic development of coastal communities by promoting sustainable economic growth and jobs.

Resource Changes

7.3 The net impact of transfers with reserves is an increase of £300k comprising:

- A Non-Fiscal Resource transfer in of £500k to the Regeneration Action. This is required to cover a drop in the value of Welsh Government's investment in the Regeneration Investment fund for Wales (RIFW), resulting from fund manager costs incurred for 2015-16; and
- A transfer out of £200k from the Policy Research and Evaluation Action reflecting the Communities and Tackling Poverty MEG's contribution to the Welsh Government Learning Grant in the Education and Skills MEG.

Overall Budget Changes

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

Children, Young People and Families Action

- A net transfer in of £1,200k to relieve over programming pressures on the Families First budget, comprising:
 - £700k from the Policy Research and Evaluation Action; and
 - £500k from the Regeneration Action.

Policy Research and Evaluation Action

- A transfer out of £700k to the Children, Young People and Families Action to reduce over programming pressures on the Families First budget.

Regeneration Action

- A transfer out of £500k to the Children, Young People and Families Action to reduce over programming pressures on the Families First budget.

Capital Changes

- 7.5** The net impact of transfers with reserves is an increase of £27,000k comprising:
- A transfer in from reserves of £7,000k to the Increase in Supply and Choice of Affordable Housing Action. This is an additional allocation of Financial Transaction Capital in 2015-16 for the Land for Affordable Housing scheme; and
 - A transfer in from reserves of £20,000k for the Social Housing Grant. Both allocations are aligned with WIIP priorities.
- 7.6** There have been a number of transfers within the MEG, the net impact of which is neutral. The action tables show the net impact of these on each Action. Below is a breakdown of specific transfers above £250k:

Communities and Tackling Poverty Action

- A net transfer out of £800k, comprising:
 - £1,300k out to the Increase the Supply and Choice of Affordable Housing Action for the Social Housing Grant; and
 - £500k in from the Increase the Supply and Choice of Affordable Housing Action for Flying Start.

Achieve Quality Housing Action

- A net transfer in of £6,200k, comprising:
 - A transfer in of £10,000k from the Empty Properties Programme Action representing a more accurate alignment of budgets to spend; and
 - A transfer out of £3,800k out to the Increase the Supply and Choice of Affordable Housing Action representing unused dowry money transferred back to the Social Housing Grant.

Increase the Supply and Choice of Affordable Housing Action

- A net transfer in of £4,600k, comprising:
 - A transfer in of £3,800k from the Achieve Quality Housing Action representing unused dowry money transferred back to the Social Housing Grant;
 - A transfer in of £1,300k from the Communities and Tackling Poverty Action for the Social Housing Grant; and
 - A transfer out of £500k to the Communities and Tackling Poverty Action for Flying Start.

Empty Properties Programme Action

- A transfer out of £10,000k to the Achieve Quality Housing Action representing a more accurate alignment of budgets to spend.

Table 7.1 – Communities and Tackling Poverty SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ¹³	Changes	Revised Budget	Budget ¹⁴	Changes	Revised Budget
Children, Young People and Families	125,384	1,200	126,584	0	0	0
Supporting Communities and People	58,433	-171	58,262	0	0	0
Communities and Tackling Poverty	0	250	250	16,450	-800	15,650
Equality and Inclusion	2,016	0	2,016	0	0	0
Housing Policy	141,559	-79	141,480	1,641	0	1,641
Homes and Places	14,122	1,393	15,515	377,329	27,800	405,129
Total DEL	341,514	2,593	344,107	395,420	27,000	422,420
Total Managed Expenditure (TME)	341,514	2,593	344,107	395,420	27,000	422,420

¹³ Budget figures as per Supplementary Budget Motion approved July 2015.

¹⁴ Budget figures as per Supplementary Budget Motion approved July 2015.

8. Economy, Science and Transport

Overall Budget Changes

8.1 There has been a net increase in the Economy, Science and Transport DEL of £152,369k, comprising an increase in Resource of £107,678k and an increase in Capital of £44,691k.

AME

8.2 The AME budget has increased by £615k to reflect the latest forecast outturn on the valuation of the Roads portfolio.

UK Government Transfers

8.3 There has been a transfer in of £10,036k to the Deliver ICT Infrastructure Action (Capital) from the Department for Culture, Media and Sport (DCMS) in respect of the Superfast Cymru project.

Resource Changes

- 8.4** The net impact of transfers with reserves is an increase of £108,063k, comprising:
- A Non-Fiscal Resource transfer in of £108,200k to the Improving and Maintaining the Trunk Road Network Action to cover depreciation charges;
 - A transfer out of £300k to the Sectors Action as the Economy, Science and Transport MEG's contribution to support the Welsh Government Learning Grant in the Education and Skills MEG; and
 - A transfer in of £163k to the Strategic Leadership for Museum, Archive & Library Services Action in respect of World War 1 commemorations.
- 8.5** The impact of transfers with other MEGs is a net decrease of £385k due to transfers relating to the Invest to Save Fund within the Central Services and Administration MEG comprising:

- £500k out from the Foster Usage and Lifelong Learning through Library Services Action in respect of loan repayments; and
- £115k in to the Foster Usage and Lifelong Learning through Museum Services Action in respect of additional investments.

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

Sectors Action

- A net transfer in of £1,821k which includes £1,721k to meet the demands for project delivery.

Entrepreneurship and Business Information Action

- A transfer in of £2,161k to meet the demands for project delivery.

Deliver ICT Infrastructure Action

- A transfer in of £1,296k to meet the demands for project delivery.

Deliver ICT Infrastructure – Non Cash Action

- A transfer in of £1,191k non-fiscal Resource to meet depreciation charges on infrastructure assets.

Deliver Property Related Infrastructure Action

- A transfer out of £3,836k to meet the demands for project delivery across other MEG Actions.

Corporate Programmes Action

- A net transfer in of £1,562k comprising:
 - A transfer in of £1,078k to meet the demands for project delivery; and

- A transfer in of £484k Non-Fiscal Resource to meet depreciation charges on software assets.

Motorway & Trunk Road Operations Action

- A transfer in of £6,200k to meet the demands for project delivery.

Sustainable Travel Action

- A transfer out of £1,870k to support project delivery across other MEG Actions.

Rail & Air Services Action

- A transfer out of £6,750k to support project delivery across other MEG Actions.

Conserve, Protect, Sustain and Promote Access to the Historic & Natural Environment Action

- A net transfer out of £1,775k Non-Fiscal Resource to support the depreciation charges on assets held in Actions across the MEG, including:
 - £1,191k to the Deliver ICT Infrastructure - Non Cash Action; and
 - £484k to the Corporate Programmes Action.

Capital Changes

8.7 The net impact of transfers with reserves is an increase of £34,235k, comprising:

- A transfer out of £15,100k from the Finance Wales Action in respect of in-year loan repayments on borrowings made by Finance Wales PLC;
- A net transfer in of £49,150k comprising:
 - A transfer in of £46,400k to the Sectors Action which comprises:
 - £15,000k allocation for the Wales Business Fund;

- £10,000k allocation for Interim Technology Venture Investment Fund;
 - £7,700 allocation to support strategic business investment;
 - £5,000k allocation for the Business Growth SME Fund;
 - £3,000k allocation for Cardiff Airport commercial loan;
 - £3,000k allocation for the Micro Business Fund;
 - £1,500k allocation for Llangefni Link Road; and
 - £1,200k allocation for Northern Gateway.
- A transfer in of £2,750k to the Deliver Property Related Infrastructure Action for the Property Development Fund; and
 - A transfer in of £185k to the Strategic Leadership for Museum, Archive & Library Services Action in respect of World War 1 commemorations.

8.8 The net impact of transfers with other MEGs is an increase of £420k in from the Invest to Save Fund Action within the Central Services and Administration MEG which includes the following transfer over £250k:

- A transfer in of £300k to the Motorway and Trunk Road Operations Action in respect of trunk road LED lighting.

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

Sectors Action

- A transfer in of £4,500k from the Delivery of Effective Sports & Physical Activity Programmes Action to provide additional early support for the Wales Business Fund in Finance Wales.

Delivery of Effective Sports & Physical Activity Programmes Action

- A transfer out of £4,500k of unutilised Resource to support activity within the Sectors Action.

Lifelong Learning through Museum Services Action

- A transfer in of £350k from the Conserve, Protect, Sustain and Promote Access to the Historic & Natural Environment Action for the provision of a separate exhibition area in the National Museum.

Conserve, Protect, Sustain and Promote Access to the Historic & Natural Environment Action

- A net transfer out of £685k to support project demands across other MEG Actions including:
 - A transfer out of £350k to the Lifelong Learning through Museum Services Action for the provision of a separate exhibition area in the National Museum.

Table 8.1 – Economy, Science and Transport SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ¹⁵	Changes	Revised Budget	Budget ¹⁶	Changes	Revised Budget
Sectors and Business	65,715	3,682	69,397	91,633	50,900	142,533
Science and Innovation	9,946	0	9,946	2,979	0	2,979
Major Events	3,918	0	3,918	0	0	0
Infrastructure	18,671	-1,349	17,322	28,456	12,786	41,242
Strategy and Corporate Programmes	5,984	1,562	7,546	79	-15,100	-15,021
Motorway and Trunk Road Network Operations	166,480	114,400	280,880	62,550	300	62,850
Rail and Air Services	185,679	-6,750	178,929	0	0	0
Road and Rail Investment	0	0	0	192,585	0	192,585
Sustainable Travel	57,209	-1,870	55,339	72,447	0	72,447
Improve Road Safety	4,764	0	4,764	6,900	0	6,900
Improve and Maintain Local Roads Infrastructure	0	0	0	13,667	0	13,667

¹⁵ Budget figures as per Supplementary Budget Motion approved July 2015.

¹⁶ Budget figures as per Supplementary Budget Motion approved July 2015.

Support and Sustain a Strong Arts Sector via the Arts Council and Others	31,835	0	31,835	355	0	355
Museums, Archives and Libraries	36,170	-222	35,948	4,743	806	5,549
Delivery of Effective Sports and Physical Activity Programmes	23,891	0	23,891	5,345	-4,500	845
Media and Publishing	3,526	0	3,526	60	184	244
Conserve, Protect, Sustain and Promote Access to the Historic and Natural Environment	14,686	-1,775	12,911	4,401	-685	3,716
Total DEL	628,474	107,678	736,152	486,200	44,691	530,891
AME						
Infrastructure	25,000	0	25,000	0	0	0
Motorway and Trunk Road Network Operations	47,318	615	47,933	0	0	0
Museums, Archives and Libraries	3,013	0	3,013	0	0	0
Total Managed Expenditure (TME)	703,805	108,293	812,098	486,200	44,691	530,891

9. Education and Skills

Overall Budget Changes

9.1 There has been a net increase in the Education and Skills DEL of £35,113k, comprising an increase in Resource of £4,913k and an increase in Capital of £30,200k.

AME

9.2 The AME budget has decreased by £235,515k, comprising a decrease in Resource AME of £226,993k and a decrease in Capital AME of £8,522k, in respect of Student Loans. This includes a revision of the discount rate.

UK Government Transfers

9.3 There has been a transfer out of £464k from the Employment and Skills Action to the Department for Business, Innovation and Skills (BIS). The Welsh Government is transferring responsibility for its Investors in People process to UKCES for it to be delivered nationally. The transfer is to cover the increase in costs due to this change which will be grant funded via BIS.

Resource Changes

- 9.4** The net impact of transfers with reserves is an increase of £5,100k comprising:
- A transfer in of £11,300k to the Post-16 Learner Support Action in respect of the Welsh Government Learning Grant; and
 - A transfer out of £6,200k from the Curriculum Action in order to align the accounting and budgeting treatments in respect of the Schools Challenge Fund.
- 9.5** The net impact of transfers with other MEGs is an increase of £277k which includes the following adjustment over £250k:

- A transfer of £310k to the Qualifications Action from the Staff Costs Action in the Central Services and Administration MEG to cover the staff costs of staff transferring to the newly formed Qualifications Wales.

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

Curriculum Action

- A net transfer out of £2,100k including:
 - £1,400k out to the Education Standards Action for Literacy and Numeracy Framework support in order to reduce the number of separate grants made to consortia. These will now be funded through the Education Improvement Grant; and
 - £900k out to the Teaching and Leadership Action to support the implementation of recommendations put forward by Professor Furlong and the New Deal.

Teaching and Leadership Action

- A transfer in of £900k from the Curriculum Action to support the implementation of recommendations put forward by Professor Furlong and the New Deal.

Higher Education Action

- A net transfer out of £4,137k to the Post-16 Learner Support Action comprising:
 - A transfer out of £5,137k of the outstanding balance of tuition fee grant monies to reflect the latest forecasts for spend in the 2015-16 financial year. This is the 2nd part of the transfer of responsibility (from HEFCW to Welsh Government) of the tuition

fee grant to provide greater accountability and transparency in the payments of student grants and loans; and

- A transfer in of £1,000k to reflect additional funding provided to HEFCW for part time support in 2015-16.

Education Standards Action

- A transfer in of £1,400k from the Curriculum Action for Literacy and Numeracy Framework support in order to reduce the number of separate grants made to consortia. These will now be funded through the Education Improvement Grant.

Post-16 Learner Support Action

- A net transfer in of £4,137k from the Higher Education Action comprising:
 - A transfer in of £5,137k of the outstanding balance of tuition fee grant monies to reflect the latest forecasts for spend in the 2015-16 financial year. This is the 2nd part of the transfer of responsibility (from HEFCW to Welsh Government) of the tuition fee grant to provide greater accountability and transparency in the payments of student grants and loans; and
 - A transfer out of £1,000k out to reflect additional funding provided to HEFCW for part time support in 2015-16.

Welsh in Education Action

- A net transfer in of £134k from the Welsh Language Action comprising:
 - A transfer in of £825k due to a transfer of responsibility for initiatives within the field of languages transmission and language habits; and
 - A transfer out of £691k to fund developments arising from the Welsh Language Policy Statement.

Welsh Language Action

- A net transfer out of £134k to the Welsh in Education Action comprising:
 - A transfer out of £825k due to a transfer of responsibility for initiatives within the field of languages transmission and language habits; and
 - A transfer in of £691k to fund developments arising from the Welsh Language Policy Statement.

Capital Changes

- 9.7** There has been a total transfer from reserves of £30,200k into the Estate and IT Provision Action comprising:
- A transfer in of £2,700k for the Aerospace Training Facility;
 - A transfer in of £4,500k of Financial Transactions Capital for the Aberdare Campus of Coleg y Cymoedd; and
 - A transfer in of £23,000k to accelerate capital spend for schemes already under construction in the 21st Century Schools Programme.

Table 9.1 – Education and Skills SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ¹⁷	Changes	Revised Budget	Budget ¹⁸	Changes	Revised Budget
Education and Training Standards	932,092	-9,893	922,199	173,834	30,200	204,034
Skilled Workforce	62,103	-398	61,705	0	0	0
Improve Wellbeing, Reducing Inequality and Increasing Participation	562,864	15,437	578,301	0	0	0
Welsh Language	27,248	-33	27,215	0	0	0
Delivery Support	4,702	-200	4,502	0	0	0
Total DEL	1,589,009	4,913	1,593,922	173,834	30,200	204,034
AME						
Improve Wellbeing, Reducing Inequality and Increasing Participation	-88,444	-226,993	-315,437	421,248	-8,522	412,726
Skilled Workforce	6,000	0	6,000	0	0	0
Total Managed Expenditure (TME)	1,506,565	-222,080	1,284,485	595,082	21,678	616,760

¹⁷ Budget figures as per Supplementary Budget Motion approved July 2015.

¹⁸ Budget figures as per Supplementary Budget Motion approved July 2015.

10. Natural Resources

Overall Budget Changes

10.1 There has been a net increase in the Natural Resources DEL of £14,062k, comprising an increase in Resource of £9,259k and an increase in Capital of £4,803k.

AME

10.2 The AME budget has decreased by £500k to reflect latest forecasts in respect of Natural Resources Wales (NRW) pension's liability.

Resource Changes

- 10.3** The net impact of transfers with reserves is an increase of £8,242k, comprising:
- A transfer in of £8,110k Non-Fiscal Resource, to the Sponsor and Manage Delivery Bodies Action, in respect of increased depreciation cover for NRW.
 - A transfer in of £1,512k to the Develop and Deliver Overarching Policy and Programmes on Agriculture, Food and Marine Action in respect of the British Cattle Movement Service.
 - A transfer in of £670k Non-Fiscal Resource to the CAP Administration and Making Payments According to EU and WG Rules Action in respect of depreciation of the RPW Online IT system
 - A transfer in of £300k to the Manage and Implement Environmental Improvement Action in relation to Wrexham contaminated land.
 - A transfer in of £29k Non-Fiscal Resource to the Developing an Appropriate Evidence Base to Support the work of the Department Action in respect of increased depreciation for Pwllpeiran farm.
 - A transfer out of £2,179k from the Sponsor and Manage Delivery Bodies Action in respect of Windfarm Income received by NRW.

- A transfer out of £200k from the Develop and Implement Climate Change, Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation Action as the Natural Resources MEG's contribution to the Welsh Government Learning Grant in the Education and Skills MEG.

10.4 The net impact of transfers with other MEGs is an increase of £1,017k, which comprises the following adjustment above £250k:

- A transfer in of £1,054k from the Invest to Save Fund Action within the Central Services and Administration MEG to the Sponsor and Manage Delivery Bodies Action in respect of Invest to Save funding for NRW.

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

Sponsor and Manage Delivery Bodies Action

- A transfer out of £300k to the Developing and managing Welsh marine, fisheries and aquaculture including the enforcement of Welsh Fisheries Action due to Cefas to undertake a spatial review of marine aggregates as part of the Marine Plan.

Developing and managing Welsh Marine, Fisheries and Aquaculture including the enforcement of Welsh Fisheries Action

- A transfer in of £300k from the Sponsor and manage delivery bodies Action to fund Cefas to undertake a spatial review of marine aggregates as part of the Marine Plan.

Capital Changes

10.6 There has been a net transfer in from reserves of £7,838 comprising:

- A transfer in of £5,000k to the Develop and Implement Climate Change, Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation Action, in respect of financial transactions funding for Green Growth;
- A transfer in of £2,538k to the Develop and Deliver Overarching Policy and Programmes on Sustainable Development and Environment Action in respect of works on the Brecon and Monmouthshire Canal; and
- A transfer in of £300k to the Sponsor and Manage Delivery Bodies Action in respect of the Pentreclwydau landslip repair project.

10.7 The net impact of transfers with other MEGs is a decrease of £3,035k, which comprises the following adjustments above £250K:

- A transfer out of £3,635k from the Develop and Implement Climate Change, Emission Prevention and Fuel Poverty Policy, Communications, Legislation and Regulation Action to the Central Services and Administration MEG to support Green Growth projects; and
- A transfer in of £600k from the Invest to Save Fund Action within the Central Services and Administration MEG to the Sponsor and Manage Delivery Bodies Action in respect of Invest to Save funding for NRW.

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

CAP Administration and Making payments according to EU and WG rules Action

- A transfer in of £8,600k to fund the costs of implementing the CAP Reform IT system, comprising:
 - A transfer in of £3,000k from Develop and implement flood and coastal risk, water and sewage policy and legislation Action;
 - A transfer in of £2,600k from Delivering the programmes within the Rural Development Plan Action;
 - A transfer in of £2,500k from Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation Action; and
 - A transfer of £500k from Manage and implement the Waste Strategy and waste procurement Action.

Delivering the programmes within the Rural Development Plan Action

- A transfer out of £2,600k to the CAP Administration and making payments according to EU and WG rules Action towards the cost of implementing the CAP Reform IT system.

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

- A transfer out of £2,500k to the CAP Administration and making payments according to EU and WG rules Action towards the cost of implementing the CAP Reform IT system.

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

- A transfer out of £3,000k to the CAP Administration and making payments according to EU and WG rules Action towards the cost of implementing the CAP Reform IT system.

Manage and Implement the Waste Strategy and Waste Procurement Action

- A transfer out of £500k to the CAP Administration and making payments according to EU and WG rules Action towards the cost of implementing the CAP Reform IT system.

Sponsor and Manage Delivery Bodies Action

- A transfer in of £900k from Promote and Support Protected Landscapes, Wider Access to Green Space Action for Wales Coastal path as responsibility for it lies with NRW.

Promote and Support Protected Landscapes, Wider Access to Green Space Action

- A transfer out of £900k to the Sponsor and Manage Delivery Bodies Action for Wales Coastal path as responsibility for it lies with NRW.

Table 10.1 – Natural Resources SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ¹⁹	Changes	Revised Budget	Budget ²⁰	Changes	Revised Budget
Agriculture and Food	52,077	2,482	54,559	11,723	6,000	17,723
Protecting and Improving Animal Health and Welfare	30,656	0	30,656	0	0	0
Climate Change and Sustainability	112,460	-237	112,223	100,624	-2,097	98,527
Environment	75,481	6,985	82,466	795	1,800	2,595
Evidence Base	936	29	965	38	0	38
Planning	6,421	0	6,421	0	0	0
Landscape and Outdoor Recreation	10,527	0	10,527	2,500	-900	1,600
Total DEL	288,558	9,259	297,817	115,680	4,803	120,483
AME						
Environment	2,900	-500	2,400	0	0	0
Total Managed Expenditure (TME)	291,458	8,759	300,217	115,680	4,803	120,483

¹⁹ Budget figures as per Supplementary Budget Motion approved July 2015.

²⁰ Budget figures as per Supplementary Budget Motion approved July 2015.

11. Central Services and Administration

Overall Budget Changes

11.1 There has been a decrease in the Central Services and Administration DEL of £7,065k, comprising a decrease in Resource of £16,229k and an increase in Capital of £9,164k.

AME

11.2 The AME budget has decreased by £7,766k as a result of the removal of a provision to provide for unrealised European exchange rate losses (£7,000k); the release of general administrative provisions (£750k); and a reduction in the amount of funding we have set aside to provide for early retirement (£16k).

UK Government Transfers

11.3 There has been a transfer in of £1,456k to the Invest-to-Save Fund Action (Capital) from the Department of Energy and Climate Change to fund energy and environmental improvements in public sector organisations.

Resource Changes

11.4 The net impact of transfers with reserves is a decrease of £2,053k, comprising:

- £3,807k in to the Manage Delivery of Structural Fund Programme in Wales Action providing additional support to these programmes.

11.5 There has been a transfer within the MEG the net impact of which is a decrease in Resource of £5,860k due to a Resource to Capital switch. The Action Tables show the net impact of this.

11.6 The net impact of transfers with other MEGs is a decrease of £14,176k which includes the following adjustments above £250k:

- A transfer out of £9,069 from the Invest-to-Save Action, including:
 - £7,900k out to the Delivery of Targeted NHS Services Action within the Health and Social Services MEG in respect of Invest-to-Save schemes; and
 - £1,054k out to the Sponsor and Manage Delivery Bodies Action in the Natural Resources MEG in respect of Invest-to-Save funding for Natural Resource Wales (NRW).
- A transfer out of £310k from the Staff Costs Action to the Qualifications Action in the Education and Skills MEG to cover the staff costs of staff transferring to the newly formed Qualifications Wales.
- A transfer out of £1,240k from the Academi Wales Action due to the transfer of Academi Wales to the Local Government MEG; and
- A net transfer out of £3,627k from the Invest-to-Save Repayment of Investments Action comprising:
 - £4,127k out to the Health and Social Services MEG of which £3,927k was transferred to the 'Delivery of Targeted NHS Services Action; and
 - £500k in from the Foster Usage and Lifelong Learning through Museum Services Action in the Economy, Science and Transport MEG.

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

Staff Costs Action

- A net transfer out of £461k, including:
 - £1,000k to the Invest-to-Save Fund Repayment of Investments Action as partial repayment of funding received in 2014-15 to provide for Welsh Government voluntary severance costs; and
 - £414k in from the Strategic Capital Investment Action to fund staff working in this area.

General Administration Action

- A net transfer out of £1,783k, including:
 - £344k out to the IT Action available as a result of savings identified across a variety of central service budgets;
 - £760k out to the Tribunals Action to increase funding for the Tribunals Service in Wales; and
 - £289k out to reallocate within the Central Services and Administration MEG.

IT Costs (Resource) Action

- A transfer in of £344k from the General Administration Action as a result of savings identified across a variety of central service budgets.

Tribunals Action

- A transfer in of £760k from the General Administration Action to increase funding for the Tribunal Service in Wales.

Strategic Capital Investment Action

- A transfer out of £414k to the Staff Costs to fund staff working in this area.

National Procurement Service

- A transfer in of £2,118k from the Invest-to-Save Fund Action to fund the operational and programme costs of the National Procurement Service.

Invest-to-Save Fund Action

- A transfer out of £2,118k to the National Procurement Service Action to fund the operational and programme costs of the National Procurement Service.

Invest to Save Repayment of Investment Action

- A transfer in of £1,000k from the Staff Costs Action as partial repayment of funding received in 2014-15 to provide for Welsh Government voluntary severance costs.

Capital Changes

11.8 There has been a transfer within the MEG the net impact of which is an increase in Capital of £5,860k due to a Resource to Capital switch. The Action Tables show the net impact of this.

11.9 The net impact of transfers with other MEGs is an increase of £1,848k comprising the following adjustments over £250k:

- a net transfer in to the Invest-to-Save Fund Action comprising:
 - £3,635k in from the Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation Action in the Natural Resources MEG in respect of the Green Growth Fund;
 - £767k out to the NHS Delivery Action within the Health and Social Services MEG in respect of Invest-to-Save schemes;
 - £600k out to the Sponsor and manage delivery bodies Action within the Natural Resources MEG in respect of Invest to Save funding for NRW; and
 - £420k out to the Economy, Science and Transport MEG, £300k of which was transferred to the Motorway & Trunk Road Operations Action for investment into LED lighting.

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

Capital Action

- A net transfer in of £1,646k as a contribution towards managing and maintaining the Welsh Government estate which comprises:
 - £1,376k in from the Business Improvement Action; and
 - £270k in from the IT Costs (Capital) Action.

Business Improvement Action

- A net transfer out of £1,572k which includes £1,376 to the Capital Action as a contribution towards managing and maintaining the Welsh Government estate.

IT Costs (Capital) Action

- A net transfer out of £74k which includes £270k to the Capital Action as a contribution towards managing and maintaining the Welsh Government estate.

Invest-to-Save Fund Action

- A transfer out of £565k to the Invest-to-Save Repayment of Investments Action to adjust the anticipated recoveries into the Fund.

Invest to Save Fund Repayment of Investments Action

- A transfer in of £565k from the Invest-to-Save Fund Action to adjust the anticipated recoveries into the Fund.

Table 11.1 – Central Services and Administration SPA Allocations

DEL	£000s			£000s		
	2015-16 Resource			2015-16 Capital		
	Budget ²¹	Changes	Revised Budget	Budget ²²	Changes	Revised Budget
Delegated Running Costs	202,891	-771	202,120	0	0	0
Central Running Costs	70,775	-1,439	69,336	11,435	1,048	12,483
Information and Support Services	11,582	1,546	13,128	0	0	0
Central Programmes	24,722	-18,324	6,398	0	8,116	8,116
WEFO	1,507	2,759	4,266	0	0	0
Total DEL	311,477	-16,229	295,248	11,435	9,164	20,599
AME						
Central Running Costs	2,494	-16	2,478	0	0	0
General Administration	0	-750	-750	0	0	0
WEFO	7,000	-7,000	0	0	0	0
Total Managed Expenditure (TME)	320,971	-23,995	296,976	11,435	9,164	20,599

²¹ Budget figures as per Supplementary Budget Motion approved July 2015.

²² Budget figures as per Supplementary Budget Motion approved July 2015.

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

This document supports the Supplementary Budget Motion, which sets out the changes to both the resources that the Welsh Government is proposing to use in 2015-16 and the cash it is seeking authority to draw from the Welsh Consolidated Fund. The tables within this report show budgets on an administrative basis, whereas the figures in the Supplementary Budget Motion are on a resource basis.

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

Health and Social Services

	£000s
DEL	2015-16
Resource	6,598,808
Capital	225,669
AME	
Resource	90,700
Capital	0
TME	6,915,177
Reconciliation to Resources	
Resource Consumption of WGSBs and NHS bodies	-177,700
Supported Borrowing	-3,602
National Insurance Fund Receipts (and collection costs)	-1,104,050
Adjustment in Working Capital	35,000
Resources requested	5,664,825

Local Government

DEL	£000s
	2015-16
Resource	3,430,020
Capital	22,920
AME	
Resource	976,890
Capital	5,240
TME	4,435,070
Reconciliation to Resources	
National Non Domestic Rates payable (and collection costs)	-961,172
Resource Consumption of WGSBs	-400
Resources requested	3,473,498

Communities and Tackling Poverty

DEL	£000s
	2015-16
Resource	344,107
Capital	422,420
AME	
Resource	0
Capital	0
TME	766,527
Reconciliation to Resources	
Supported Borrowing	-31,340
Resources requested	735,187

Economy, Science and Transport

DEL	£000s
	2015-16
Resource	736,152
Capital	530,891
AME	
Resource	75,946
Capital	0
TME	1,342,989
Reconciliation to Resources	
Resource Consumption of WGSBs	-6,281
Supported Borrowing	-10,336
Direct Charges on the Welsh Consolidated Fund	-1,666
PFI	-8,012
Finance Wales	15,100
Resources requested	1,331,794

Education and Skills

DEL	£000s
	2015-16
Resource	1,593,922
Capital	204,034
AME	
Resource	-309,437
Capital	412,726
TME	1,901,245
Reconciliation to Resources	
Resource Consumption of WGSBs	-6,082
Supported Borrowing	-33,781
Resources requested	1,861,382

Natural Resources

DEL	£000s
	2015-16
Resource	297,817
Capital	120,483
AME	
Resource	2,400
Capital	0
TME	420,700
Reconciliation to Resources	
Resource Consumption of WGSBs	-13,600
Supported Borrowing	-9,741
Resources requested	397,359

Central Services and Administration

DEL	£000s
	2015-16
Resource	295,248
Capital	20,599
AME	
Resource	1,728
Capital	0
TME	317,575
Reconciliation to Resources	
Resources requested	317,575

Annex 2 – Glossary

Action	Within each Spending Programme Area (SPA), budgets are allocated to a number of sub-programmes known as Actions. Tables showing budgets at Action level are available at: www.wales.gov.uk/budget
Ambits	Descriptions of the specific purposes for which Welsh Ministers are authorised by the National Assembly for Wales to spend resources. Ambit Descriptions and resource limits are contained within the Annual Budget Motion. Ambits correspond to MEGs.
Annually Managed Expenditure (AME)	Expenditure which cannot reasonably be subject to firm, multi-year limits in the same way as DEL and is therefore reviewed twice a year as part of the HM Treasury's Budget and Pre-Budget Report processes. AME typically consists of programmes which are large, volatile or demand-led; for example the issue of student loans.
Budget Motion	The means by which the National Assembly for Wales authorises Welsh Ministers to spend resources up to a specific level for specified purposes and to draw cash up to a specific limit from the Welsh Consolidated Fund.
Budget Exchange System	The system under which the Welsh Government is able to carry forward underspends, up to an agreed cap. The agreed cap is 0.6% of our Resource DEL budget and 1.5% of our Capital DEL budget.
Capital	Expenditure that in the main results in a physical asset, for example a new building. The Welsh Government DEL and AME budgets have separate capital and resource limits.
Departmental Expenditure Limit (DEL)	The multi-year budget limit for the Welsh Government set by the HM Treasury. DEL is planned and controlled on a three year basis in Spending Reviews.
Depreciation	The drop in value of an asset due to wear and tear, age and obsolescence. Under resource budgeting, depreciation is part of the Welsh Government's DEL but is a Non-Fiscal Resource DEL item.

Direct Charges on the Welsh Consolidated Fund	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore does not score against the budgets of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
Financial Transactions	Financial transactions are not traditional capital grants and can only be used for loans and equity purposes. A proportion of the funding also has to be repaid to the Exchequer.
Fiscal Resource DEL (previously known as near cash)	Accruals measures of transactions that normally turn into cash flows soon, for example, pay, current procurement, resource grants and subsidies.
Main Expenditure Group (MEG)	The Welsh Government DEL is divided into a number of Main Expenditure Groups. There are currently 7 MEGs: Health and Social Services; Local Government; Communities and Tackling Poverty; Economy, Science and Transport; Education and Skills; Natural Resources and Central Services and Administration.
Non-Fiscal Resource DEL (previously known as noncash)	Accruals measures included in budgets to ensure they reflect the full economic cost of activities even though there is not a direct link to cash flows in the relevant period - for example, depreciation and provisions. Non-Fiscal Resource DEL cannot be used to fund fiscal resource DEL spending.
Receipts	Some areas of Welsh Government activity generate income, for example, through the sale or rental of assets. These are represented in the budget as negative figures.
Resource budgeting	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budgeting includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.
Resource (previously known as revenue)	Current expenditure, for example, funding for the pay of public sector workers and to purchase consumable goods and services.
Results Based Accountability (RBA)	Results Based Accountability is an outcomes-based planning methodology. It seeks to focus attention on results rather than activity. RBA is often used to develop outcome indicators and performance measures for an area and seeks to clarify accountability structures.
Spending	Within each MEG, budgets are allocated to Spending

Programme Area (SPA)	Programme Areas according to the kind of services they will deliver.
Spending Review	Every two or three years HM Treasury reviews expenditure for each UK Government Department and sets budgets for the forthcoming three years. Budgets for the devolved administrations are derived from these budgets via the Barnett formula, which is a mechanism used by HM Treasury to calculate public expenditure allocated to Wales to reflect changes in spending levels allocated to public services in England.
Total Managed Expenditure (TME)	The total Departmental Expenditure Limit plus Annually Managed Expenditure.
Welsh Consolidated Fund	The account into which the money voted by the UK Parliament for use by the Welsh Government, the Assembly Commission, the Auditor General, and the Public Services Ombudsman for Wales is paid.
WGSB	Welsh Government Sponsored Body.