

Finance Committee

Meeting Venue:
Committee Room 2 – Senedd

Meeting date:
11 October 2012

Meeting time:
09:15

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Gareth Price
Committee Clerk
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Agenda

Private briefing (9:15 – 9:30)

1. Introductions, apologies and substitutions (9:30 – 9:35)

**2. Welsh Government draft budget proposals for 2013–14 –
Evidence from Local Health Boards (9:35 – 10:30)** (Pages 1 – 6)
FIN(4) 15–12 – Paper 1 – Evidence from Local Health Boards

Dr Andrew Goodall, Chief Executive, Aneurin Bevan Local Health Board

Geoff Lang, Executive Director of Primary Care, Community and Mental Health
Services, Betsi Cadwalader Local Health Board

Karen Miles, Director of Finance and Economic Reform, Hywel Dda Health Board

**3. Motion under Standing Order 17.42 to resolve to exclude the
public from the meeting for the following business:**
Items 4 and 7.

**4. Consideration of draft report on the Assembly Commission draft
budget 2013–14 (10:30 – 11:00)** (Pages 7 – 20)

Break (11:00 – 11:30)

Public session

**5. Welsh Government draft budget proposals for 2013–14 –
Evidence from Welsh Government (11:30 – 12:30)** (Pages 21 – 204)
FIN(4) 15–12 – Paper 2 – Welsh Government

Jane Hutt AM, Minister for Finance

6. Papers to note (Pages 205 – 206)

**7. Consideration of evidence on Welsh Government draft budget
proposals for 2013–14 (12:30 – 13:00)**



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd
Aneurin Bevan
Health Board

Ref: AG/JD/vep

Direct Line: 01495 765031

5th October 2012

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

Dear Ms Davies

Re: Welsh Government's Draft Budget

Thank you for the invitation to attend the National Assembly for Wales' Finance Committee on the 11th October 2012 in order to give an NHS Wales perspective on finance and the Welsh Government's draft budget. We have confirmed attendance from the three organisations you approached:

- Dr Andrew Goodall, Chief Executive, Aneurin Bevan Health Board
- Mr Geoff Lang, Deputy Chief Executive, Betsi Cadwaladr University Health Board
- Mrs Karen Miles, Director of Finance, Hywel Dda Health Board

I know you had initially requested comments on the draft budget by the 14th September, but I am grateful you have allowed comments after the formal draft budget was announced on the 2nd October.

I am writing on behalf of the three organisations who will be giving evidence to give you a broader overview of the Welsh NHS' position. We are of course happy to respond to other matters as representatives of NHS Wales particularly providing the context of our local organisations.

The commentary on the draft budget is a little different for the NHS in Wales than for other public services. We are line managed by Welsh Government with accountability

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Bwrdd Iechyd Aneurin Bevan yw enw gweithredol Bwrdd Iechyd Lleol Aneurin Bevan
Aneurin Bevan Health Board is the operational name of Aneurin Bevan Local Health Board

arrangements in place that report to the NHS Wales Chief Executive and to the Minister. As Chief Executives of Local Health Boards and Trusts, we remain the accountable officers for the local performance of our organisations through to Welsh Government. This is different, for example, from the local government relationships in place and any commentary is made in this context. We are required to deliver the local services and population health agenda within the budget allocated to us by the Welsh Government, both collectively for NHS Wales and individually for the Local Health Boards and Trusts.

It may be helpful to have further discussion around the following areas:

- As NHS Wales has a cohesive identity, we have a genuine opportunity to work collaboratively and with each other across our respective organisations. This means that in aspects of performance – whether quality, finance and service change – we are able to support each other as a collaborative team. As a group of 10 Chief Executives we are able to develop a common agenda and support each other and our organisations on problems and solutions. Working collaboratively does not breach our local sovereignty, in fact it is necessary to support the objectives placed upon us as organisation and ensure effective use of public resources. Despite the size of some NHS Wales organisations, we already bring ourselves together in specific ways to deliver a shared agenda, for example, common procurement where NHS Wales has been leading the way (as shown by the recent McClelland review), the commissioning of specialist services, the use of clinical networks, the recent development of service change plans and our shared service arrangements. We form a cohesive leadership team for NHS Wales as well as leading local teams within our own organisations.
- We recognise the areas set out as priorities for the NHS in the draft budget. There are some specific areas set out within the draft budget for Health, Social Services and Children that help to bring together some of our local priorities:
 - The recurrent transfer of £27.5m in respect of substance use helps to focus on the NHS contribution, but we are clear that this will continue to operate and be allocated locally in partnership structures;
 - The recurrent commitment to support for our service implementation of the Mental Health measure, which represents a major change with implications to the service and individual clinicians;
 - The recognition of Welsh Risk pool claims as a financial challenge, given the variation and materiality in claims and the strong legal governance arrangements in place;
 - An increase in educational payments for medical and staff training;
 - The continuing support for family-focused schemes, allowing us to support a focus on vulnerable individuals locally – this is emerging

- strongly nationally and locally as an opportunity for better coordinated and preventative services;
 - We continue to put forward our NHS proposals centrally-supported for invest to save schemes and have welcomed this initiative as a way of delivering some of our local savings plans;
 - We welcome the opportunity of a Public Health bill to allow us to bring together a legislative focus on the determinants of health, supported by the respective contributions of public services. There has been progress already within the new single plans for unitary authority areas.
- Due to the difficult public service financial outlook, there has over the most recent years been a significant reduction in the capital made available for infrastructure for the NHS that allows us to deliver improvements in both primary/community and acute facilities, support equipment replacement and maximise the use of advancing technologies. For us, the availability of capital funding allows us the flexibility to keep pace with such change, facilitate better ways of delivering services, reducing unused estate and address often compliance issues about estate. We do however welcome the flexibility to increase capital funding through the Wales Infrastructure Development Plan for named NHS schemes over and above that delegated to the NHS. Capital remains a major enabler of our ongoing service change and improvement agenda and is a key mechanism to rebalance our system. We would support the principle set out in the budget of needing to look for alternative funding streams and opportunities; these may need different governance mechanisms in place eg to work differently with the third sector or housing providers.
- There have been real advances in the delivery of financial savings plans in NHS Wales over the last three years, with in excess of five per cent of savings being made each and every year which cumulatively equates to over 15 per cent. This has been required because of the challenging public service finance environment and also a significant increase from the savings required in a previous environment of growth. In the recent independent "Health Finances" report by the Wales Audit Office, the Auditor-General set out the scale and scope of savings required to be made by NHS Wales. Over the last three years, our achievements compare well with savings being delivered by other health systems and other public services and show a high level of financial performance by NHS organisations in Wales. This has been achieved during a period of establishing new organisations, building local structures, delivering improved performance and maintaining a focus on the care and services we provide. Health Boards remain new organisations as we are only in our third full year of operation – although we are often measured as organisations that are fully mature and established for many years and not that we have brought together

new teams and new ways of working appropriate to this difficult public service environment. Our responsibility in operating an integrated NHS system was to bring some real benefits; we believe these benefits have started to be realised. Despite an unprecedented period of financial challenge, we can show continuous improvement in delivering key ministerial and local priorities. Quite rightly, we have high expectations placed upon us in terms of what the NHS should deliver; we also hold these high expectations ourselves both as organisations and individuals committed to make the NHS work.

- As a point of clarity, each year, the savings NHS Wales makes are additional to those made in the previous year. There is sometimes the impression that we are recycling the same savings each year, but each financial year new pressures emerge whether from the workforce, advances in clinical practice, technology or simply the impact of inflation. This means that we are delivering around an additional £300m each year of savings and have achieved well in excess of £1bn since the inception of the Local Health Boards and Trusts. These savings are cumulative. From our perspective, this continuous and recurrent level of saving is showing greater resilience and a focus on delivery in these most challenging times.
- NHS Wales has had some real successes with the level of savings that have been made by focusing on better use of resources, improved quality of care and designing services that fit around patients' needs rather than rely on traditional models of service designed at the outset of the NHS. These have been driven by areas such as better procurement, patient prescribing (leading to higher quality outcomes), improved efficiency in services, collaboration with other public service agencies, better use of estates and infrastructure, and more effective commissioning of services. These areas have been a feature of the last three years and continue into the current financial year 2012-13 and beyond as they represent the ability to deliver better value for money for the activity we deliver for the population of Wales.
- However, our process and focus on savings has to be set against significantly rising demands which increases the cost base for the NHS. For example, as medicine advances we have to meet these demands within our allocations; there are patient and clinical expectations to have access to the latest and emerging clinical practices; we have a population whose health needs are changing and becoming more demanding in respect of a growing elderly population; there remain workforce pressures even with a limit on pay inflation. These material demands cannot all simply be addressed by driving for further efficiencies and increasing productivity. The system has already proved it can rise to this challenge, but we need more than just further management pressure and focus within the system to put us on a sustainable basis.

- Driven by standards, safety and quality and staffing pressures, service configuration and change is an immediate priority and challenge for NHS Wales. There are positive examples of redesigning local services and making savings, through the local development of services that allows patient activity to be brought back to a local area, by developing new service responses to growing demand, by creating patient-focused alternatives, by shifting services and resources more appropriately to the community and simply by continuing to focus on more patient activity and efficiency. Health Boards' plans need to be developed in the context of managing our future services within budgets and creating the right balance of where care should in future be provided across the health system, with a greater focus on community services and infrastructure, supported by excellence in hospitals. Some strategic change requires transitional support, double-running costs or pump-priming and we recognise that for some of our population they wish to be confident that better alternative services are in place on the ground before we remove some of the more traditional and less effective services.
- We are thinking very differently about the future models of care which may challenge some of our traditional ways of working. For example, there are active and on-going discussions with NHS Wales that bring to the fore different service opportunities with the third sector, with the housing sector (including RSLs) and also the use of social enterprise models. These can be challenging for the NHS as it is not our usual practice. However, different collaborative approaches across sectors are emerging; if these were endorsed centrally, for example, to avoid the usual procurement process but within an acceptable legal and governance environment, this would provide some real opportunities for better use of resources and patient-focused change. We would be happy to develop this further and take advantage of public service collaboration. These emerging approaches appear to have in principle support within the draft budget.
- We are involved locally in decisions on services and shared infrastructure with other public services such as local government and the police that support savings and better outcomes – this is a positive sign for the public service agenda for Wales, but requires us to consider how commitments and savings can be balanced. Sometimes these are supported by highly detailed legal arrangements such as Section 33 agreements between NHS and social services; sometimes they represent a leap of faith supported by strong governance to deliver outcomes.
- A clear area of both concern and support to us would be the availability of different mechanisms to allow greater flexibility to Health Boards to manage their end of year positions in a more balanced manner. The specific requirement

to breakeven to the last penny means that any surplus that is generated is returned to Welsh Government and this can limit some of the decisions that are taken locally in order to maximise the funding we use for local services and priorities. Breakeven is a very precise requirement placed upon Local Health Boards on the 31st March each year and this has become a somewhat arbitrary date for production of annual accounts. We welcomed the Public Accounts Committee's recent view that there should be opportunity to provide flexibility in line with other public services. If we perform well financially, we are currently unable to create reserves and flexibility for future years – this can act as a disincentive not just at organisational level but through our structures as budgets are delegated downwards. We need to create an environment that rewards progress on good financial management, facilitates the development of clinically-led proposals and in the best scenario allows transition and pump-priming support for service development. There should be strong endorsement that the creation of reserves is simply good and expected practice, particularly in such challenging times. Other public services have mechanisms to create such flexibility.

I trust that this paper can support a further discussion on the 11th October 2012. If you require any further information to support our attendance, please let me know.

Yours sincerely



Dr Andrew Goodall
Chief Executive, Aneurin Bevan Health Board

By virtue of paragraph(s) vi of Standing Order 17.42

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Finance Committee FIN(4) 15-12 – Paper 2

Welsh Government Draft Budget 2013-14: A Budget for Growth and Jobs

Purpose

1. The Welsh Government's Draft Budget 2013-14 was published on 2 October. This paper provides an overview of the strategic priorities underpinning our spending plans.
2. A copy of the Draft Budget Proposals 2013-14, together with the supporting MEG Action tables and Budget Document, can be found on the Welsh Government's website at:

<http://wales.gov.uk/funding/budget/draftbudget1314/?lang=en>

Strategic Context

3. The Draft Budget 2013-14 sets out our spending plans for 2013-14 and indicative plans for 2014-15, which are the final two years of the current Spending Review period.
4. It is our normal practice to publish budget proposals for three years. However, 2014-15 is the final year for which we have a firm settlement. Although the UK Government has published its headline spending plans for the first two years of the next Spending Review, uncertainties in terms of economic forecasts and UK Government responses makes it difficult to accurately predict the Welsh budget settlement in the next Spending Review period. For those reasons, we are not providing indicative allocations at this stage beyond 2014-15.
5. The settlement we received in the UK Government's 2010 Spending Review represented the most challenging allocation for Wales since devolution and between 2010-11 and 2014-15, our budget reduces by 12 percent in real terms. Overall, our total DEL budget in 2013-14 will fall by £300m in real terms and by 2014-15 will be £1.8bn lower than in 2010-11¹. By 2014-15, the Welsh Budget will be £2.1bn lower in real terms than at its peak in 2009-10 and around the same level as in 2005-6.
6. The reductions to our capital budgets are particularly severe and our budget for investing in capital projects in 2014-15 will, in real terms, be 55 percent of what it was in 2009-10. This is despite the additional capital funding provided in 2013-14 and 2014-15, available as a result of the UK Government's Autumn Statement and the March Budget 2012.

¹ Excluding depreciation.

7. Our spending plans are framed in this context.

Programme for Government

8. The Programme for Government sets the outcomes we want to achieve for Wales including a more prosperous economy and better, more efficient public services that equip people to fulfil their potential and maximise their contribution to society and the economy.
9. In preparing the Draft Budget 2013-14 we have conducted a review of our spending plans to ensure that they are aligned to support delivery of the Programme for Government. This approach was informed by the Programme for Government's annual report which provides detail on the progress we have made against our key commitments.
10. We are confident that our budgets are, in the main, in the right place to deliver against our commitments. However, we have, in some areas, made a small number of adjustments to our plans to support delivery. The detail of these changes is included in the Departmental chapters of the Budget document.

Budget Priorities

11. When I published our Budget for Growth and Jobs last year, I set out the three pronged approach that we are taking to stimulate the economy and create employment opportunities:
 - Direct and targeted support that we provide for Welsh businesses.
 - Support we provide in policy areas which contribute to producing the conditions required for economic growth – education, employment support, skills and health.
 - Support we can provide through capital investment.
12. The spending plans I published on 2 October continue to build on this approach through the additional £175 capital investment I announced to support key investment priorities throughout Wales.
13. Our Budget proposals also reflect the decisions we have already taken over the last two years to protect frontline services and mitigate the impact of the UK Government cuts on the most vulnerable – protecting investment in health, schools, social services and maintaining our vital Universal Benefits.
14. We are also safeguarding the allocations we made in last year's Budget:
 - sustaining the investment of £129m over three years for our Five for a Fairer Future commitments;

- increasing our investment in the Pupil Deprivation Grant by £4.7m to £36.8m in 2013-14; and
- supporting the NHS through with the additional £288m up to 2014-15.

15. These are the priorities that underpin our spending plans.

Capital Allocations

16. A key strand of our approach to supporting the economy is maximising the opportunities available to us to invest in capital infrastructure. We know that investment in infrastructure can have a significant effect on growth and jobs, and that our approach to capital investment can make all the difference to delivering key outcomes for Wales. That is why since the Final Budget 2012-13, we have continued to take a number of measures to boost the economy, including the £44m capital investment package we announced alongside the Wales Infrastructure Investment Plan for Growth and Jobs in May.

17. We also allocated £175m additional capital in the Draft Budget 2013-14 to support the delivery of the key investment priorities set out in the Wales Infrastructure Investment Plan. This comprises the following allocations:

- £65m for improving transport – including £40m for the Brynmawr to Tredegar section of the A465 Heads of the Valley Dualling Programme and £25m for improvements to the A55 Conwy Tunnel;
- £30m for hospitals – comprising £18m to support the redevelopment of Morriston Hospital, Swansea and £12m for adult mental health facilities in Llandough Hospital, Cardiff and Glanrhyd Hospital, Bridgend;
- £25m for schools & colleges – including £15m in 2013-14 to accelerate a number of schemes under the 21st Century Schools programme;
- an additional £10m in 2014-15 for high-speed broadband to ensure universal access by 2015;
- an additional £13m for capital investment in Flying Start;
- £12m to expand the Welsh Housing Partnership;
- £10m for domestic energy efficiency; and
- an additional £10m to support a programme of vital flood and coastal defence improvements across Wales.

18. Taken together, this package of investment will deliver real benefits across Wales, creating or supporting more than 3000 jobs over the next two years and boosting the number of affordable homes by more than 800.

19. We are also committed to making further allocations for the Wales Economic Growth Fund and for Enterprise Zones which are priority areas for investment and which will play a key role in providing an economic stimulus across Wales.

Transparency

20. One of the key themes raised during the scrutiny of our proposals last year was around the presentation and transparency of our spending plans. In response to the Finance Committee's report on the Draft Budget 2012-13, I said that I would keep the approach we take to publishing our Budget under review and I was happy to work with the Committee to explore how we can improve the process.

21. Since then, I have continued to engage positively with Committee on this agenda. We have agreed a protocol on changes to the Budget motion and their impact on the in-year cycle. As a result of discussions, the Government has taken steps to improve the transparency and presentation of in-year Supplementary Budgets, including showing the recurrent implications of all allocations made from Reserves and greater detail about reprioritisations within Main Expenditure Groups.

22. In the Draft Budget 2013-14, we have sought to provide greater transparency around our Budget. We have:

- provided for the first time information on the planned repayments under the Invest to Save Fund in 2013-14 and 2014-15;
- highlighted the year-on-year changes affecting each Main Expenditure Group, including real term figures;
- provided a separate reconciliation showing how our Budget proposals align with the Programme for Government; and
- published more accessible information on our Budget for children and young people in a leaflet entitled 'Our Draft Budget 2013-14'.

23. We are also looking to ensure consistency of approach in the way information is provided to Committees during the scrutiny stage. Taken together, I hope the steps we have taken to improve the presentation and transparency of our spending plans demonstrates my commitment to this agenda and will better support the scrutiny process.

Equality

24. The Welsh Government is committed to doing everything it can to narrow the equality gap and we were the first UK Government to assess the impact of our spending proposals as part of the Draft Budget 2011-12.

25. Over the last few years we have looked at how we can improve our approach to equality impact assessments. On 8 October I will publish an Equality Impact Assessment of the Draft Budget 2013-14. This will include an account of the approach we have taken this year to assess the equality impact of our proposals. It will also set out further measures I intend to take to improve to support the continuous improvement of the Equality Impact Assessment process to inform successive Budgets.

Sustainable Development

26. The Government remains committed to sustainable development as our central organising principle. As part of this Draft Budget, we have looked to provide more information on the approach we are taking to ensure that sustainable development is embedded into the development of our policies and programmes, including in the Draft Budget.

27. We view this work as integral to the budget process and have provided further information in the Draft Budget document on the work we have done to integrate economic, social and environmental wellbeing into our decisions.

Summary

28. This is a Budget for Growth for Jobs which will ensure that we are using the resources that are available to us as effectively as possible to deliver maximum benefits for the people of Wales. Through this Draft Budget we have ensured no Departmental budget has reduced compared to previously published plans and in every case we have been able to increase investment.

29. I look forward to hearing your views on our spending plans, together with those from our partners and stakeholders.



Llywodraeth Cymru
Welsh Government

**WRITTEN STATEMENT
BY
THE WELSH GOVERNMENT**

TITLE: Draft Budget 2013-14

DATE: 2 October 2012

BY: Jane Hutt, Minister for Finance and Leader of the House

Today, I published the Welsh Government's Draft Budget proposals for 2013-14.

The Draft Budget proposals, Draft Budget narrative document and supporting detailed budget tables are being made available in English and Welsh on the Welsh Government's website.

Through our Budget for Growth and Jobs we are allocating an additional £175m capital investment in this Draft Budget to support key infrastructure projects throughout Wales, creating or supporting more than 3000 jobs over the next two years.

These spending plans reflect our ongoing commitment to deliver a more prosperous economy, better and more efficient public services and improved outcomes for Wales.

Draft Budget Proposals 2013-14

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

October 2012

Draft Budget Proposals

1. That the Assembly, in accordance with Standing Order 20.12, takes note of the draft budget for the Government laid on the 2 October, in accordance with Standing Order 20.7

Welsh Ministers

2. Welsh Ministers propose

- (a) to use resources (not including accruing resources) during the financial year ending 31 March 2014 for the services and purposes specified in Column 1 of Schedule 1, up to a maximum of the corresponding amounts specified in Column 2 of that Schedule;

- (b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of each Part of Schedule 2, during the financial year ending 31 March 2014, for use on the services and purposes specified in the corresponding entries in Column 2 of each Part of that Schedule, up to the limit specified for each Part of that Schedule; and

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

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

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

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

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

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

6. These draft budget proposals detail provisional amounts of resources and cash which the government proposes to use for 2014-15 at Annex A. The 2014-15 financial year is the last in the current UK Spending Review period and is the last year for which we have a firm allocation.

For information – Assembly Commission, Auditor General and Ombudsman

7. The budget procedures for the Assembly Commission, the Auditor General for Wales, and the Public Service Ombudsman for Wales (the “direct-funded bodies”) are governed by Standing Orders 20.13 to 20.24. The budgets for the direct-funded bodies will be included as part of the annual budget motion to be tabled by the Minister for Finance and Leader of the House on or before 27 November 2012.

8. The amounts of resources (other than accruing resources) which the direct-funded bodies propose to use in 2013-14 are included in Schedule 3; the amounts of accruing resources which those bodies propose to retain and use for specified services and purposes are included in Schedule 4; and the amounts of cash which is proposed to be issued to the direct-funded bodies out of the Welsh Consolidated Fund are included in Schedule 5.

9 These amounts are not part of the Welsh Assembly Government Budget. They are included in Schedules 3, 4 and 5 for information and for the purpose of reconciling the resources allocated to the Welsh block budget, and the estimated amount of cash to be paid into the Welsh Consolidated Fund, with the resources and cash to be authorised for use by the Welsh Assembly Government and the direct-funded bodies. Taken together it’s possible to see the total draft Welsh Budget.

10 The amounts for the direct-funded bodies are derived from the following sources:

- (a) the Assembly Commission figures have been taken from the estimates as laid before the Assembly on 9 November 2011
- (b) the figures for the Auditor General for Wales are derived from the estimate for The Auditor General, provided to the Public Accounts Committee on 17 November 2011
- (c) the figures for the Public Services Ombudsman have been taken from the Estimate provided to the Finance Committee for consideration on 8 November 2011

Summary of Resource and Capital Requirements
Welsh Ministers

Ambit	Resources (£000)	Accruing Resources (£000)
Health, Social Services and Children	5,333,835	918,067
Local Government and Communities	4,236,768	615
Business, Enterprise, Technology & Science	292,683	617,532
Education and Skills	1,993,939	106,352
Environment and Sustainable Development	313,935	7,835
Housing, Regeneration and Heritage	450,878	76,371
Central Services and Administration	350,151	11,644
Total Resources Requested and Accrued Income relating to Welsh Ministers	12,972,189	1,738,416

Direct Funded Bodies

Ambit	Resources (£000)	Accruing Resources (£000)
National Assembly for Wales Commission	49,950	250
Public Services Ombudsman for Wales	3,911	6
Auditor General for Wales	4,740	7,271
Total Resources and Accrued Income for Direct Funded Bodies	58,601	7,527

Schedule 1 – Ambits for expenditure incurred by Welsh Ministers

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
Column 1	Column 2
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Health, Social Services and Children</p> <p>For use by Welsh Ministers to spend on Health, Social Services and Children including promoting or improving economic, social or environmental wellbeing.</p> <p>Revenue and capital funding for Local Health Boards and Welsh NHS Trusts and associated healthcare providers; Public Dividend Capital to NHS Trusts; loans to NHS Trusts; payments for contracted services including dentistry, ophthalmic and pharmaceutical services; general medical services, support for education and training; research and development; mental health services; chronic disease treatment; and measures to combat Inequalities in Health; funding for the Welsh Risk Pool; funding for support for children and their families, including funding for Flying Start, Families First, the Children’s Commissioner for Wales, child poverty strategies, childcare, play, children and young people’s rights, children and families organisations and advocacy; support for local authorities and the voluntary sector for childcare measures, support for community focussed schools;</p> <p>Grants to deliver the Substance Misuse strategy and support for the Food Standards Agency; support for older person’s services and for social services and carers; social services improvement (including the funding of the Association of Directors of Social Services (ADSS) Cymru and Social Care Institute for Excellence (SCIE); for the Care Council for Wales; the National Institute for Health and Clinical Excellence (NICE); the Older People’s Commissioner; and contributions to UK health and social care bodies.</p> <p>Funding for the Children and Family Court Advisory and Support Service (CAFCASS) Cymru; funding for services provided to or on behalf of the Scottish Government, Northern Ireland Executive and Department of Health; services for the improvement of health and the prevention, diagnosis and treatment of illness; and any related expenditure and non cash resource use.</p>	<p>5,333,835</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Local Government and Communities</p> <p>For use by Welsh Ministers to spend on promoting economic, social and environmental wellbeing in the areas of local government and public service delivery, the regeneration and development of communities, the promotion of social justice and community safety; and the development and maintenance of transport and infrastructure. The funding of local government unitary authorities; police authorities and fire and rescue service authorities through unhypothecated grant funding by means of revenue support grant, national non-domestic rates (NNDR) and general capital funding or discrete revenue and capital grant funding for specific policy purpose relevant to the above areas of activity. The funding and sponsorship of public bodies and non-statutory organisations with functions relating to the audit, regulation and inspection; the promotion and representation of democracy; the performance development and change management; the promotion and maintenance of standards and accountability (including appellate functions) in respect of local government. Funding for the programme, staffing and general administrative costs (including leasing costs) of the Care and Social Services Inspectorate and the Healthcare Inspectorate Wales, Sponsorship of Estyn including staff costs and general administrative expenditure together with the cost of capital and depreciation and any related expenditure and non cash resource use. Funding public bodies (including Community Safety Partnerships), Third Sector and other organisations to support the Communities First Programme; community safety and development; development of voluntary organisations and volunteering; financial inclusion; post offices; Criminal Records Bureau checks; work to support the armed forces, veterans and their families; the combating of domestic violence; and the promotion of Youth Justice. Revenue and capital funding for road transport, including construction, operation, maintenance and improvement of trunk roads in Wales; delivery of passenger rail and air services; road safety; regulation of pedestrian crossing and on-street parking; funding and administration of programmes to local authorities and other bodies designed to deliver a range of transport schemes and services including concessionary fares; support for the promotion and development of walking and cycling; and related expenditure and non cash resource use. Matched funding under Priority 4 of the European Social Fund; support for the Valuation Office Agency; and funding to meet the cost of Treasury Solicitor Services.</p>	<p>4,236,768</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Business, Enterprise, Technology & Science</p> <p>For use by Welsh Ministers on Business, Enterprise, Technology and Science including promoting economic, social or environmental wellbeing.</p> <p>For the provision of funding to assist the establishment, growth, development and sustainability of business and tourism in Wales and any other related expenditure and non cash resource use that provides broader economic benefit to Wales.</p> <p>The administration and delivery of EC structural funded projects.</p> <p>Expenditure relating to Agriculture, Rural Development, Fisheries, Food and Animal Traceability, Woodlands and the Marine environment; and any other related expenditure and non cash resource use.</p> <p>Capital repayments to the National Loans Fund.</p>	<p>292,683</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Education and Skills</p> <p>For use by Welsh Ministers on Education and Skills to fund: the Foundation Phase; provision of school milk; schools; curriculum and qualification development and regulation; schools performance improvement; the funding of inspections; tackling disaffection; school effectiveness; pupil deprivation grant; capital and revenue funding for IT development in learning; support for improving standards; support for Techniquest; school uniform grant; school governor activities; capital to support the school and post-16 infrastructure; inclusion and additional learning needs; teacher training, development and support; bilingual learning; capital and revenue funding for the Higher Education Funding Council for Wales; support for undergraduate medical education; support for mergers and collaborations in the education sector; revenue provision for post-16 education and training including further education and work based learning; extending entitlement and 14-19 learning pathways; support for the Youth Service; learner and student finance including Student Loans Company costs and Education Maintenance Allowances; careers advice services; improving literacy and numeracy; support for international education initiatives; educational research and evaluation; skills development and workplace learning; offender learning; support for the Welsh Language Commissioner and projects which promote the Welsh Language; promotion of education and skills; associated non cash items and any related expenditure and non cash resource use.</p>	<p>1,993,939</p>

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Environment and Sustainable Development</p> <p>For use by Welsh Ministers on Environment and Sustainable Development including promoting or improving economic, social or environmental wellbeing; developing proposals for a single environmental body in Wales to manage and maintain the natural resources of Wales; provide funding, advice and administrative support for local authorities, agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Environment and Sustainable Development; facilitate, promote and deliver sustainability, climate change and environment quality; support and promote low carbon energy generation; energy efficiency and sustainable management of water resources and improvements in water quality; provide and fund water sewerage services, flood and coastal protection and risk prevention measures; provide funding support and advice relating to climate change, energy efficiency, fuel poverty, water and flood and coastal erosion risk management; provide funding, support and advice relating to waste and sustainability including Aggregates Levy; waste disposal, collection and management, recycling schemes, street cleansing and landfill tax credits; manage radioactivity, environmental pollution, environment quality and noise pollution; promoting economic, social and environmental wellbeing for business, people and places in Wales. Planning, including appeals casework, publishing planning documents, and funding for research; transpose and implement UK, European and international legislation and obligations; administration and delivery of EC structural funded projects; provide grant in aid funding, carry out investigations, research, and evaluation; Building Regulations including appeals and determinations, review of standards, legislation and delivery of building control functions, research and evaluation, implementation of European legislation; promotion and publicity and services in connection with Environment and Sustainable Development and any related expenditure and non cash resource use; promoting economic, social or environmental wellbeing; conservation; animal and plant health; seeds, pesticides and GM crops; public health; compensation for livestock; animal welfare activities; specialist information and advice and services; disease surveillance activities; information technology development; match funding for European programmes; funding for committees and enquiries into rural and environmental issues; publicity; support for land management and woodland measures; including expenditure under the Rural Development Plan; EU funded woodland grants; capital and revenue expenditure by the Forestry Commission; research and evaluation of Rural Affairs policies and development</p>	<p>313,935</p>

<p>of the evidence base that informs them; measures to mitigate greenhouse gas emissions from the land based sector; and any related or incidental expenditure including any legal expenditure and non cash resource use.</p>	
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Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Housing, Regeneration and Heritage</p> <p>For use by Welsh Ministers on Housing, Regeneration and Heritage including promoting or improving culture and economic, social or environmental wellbeing; provide funding, advice and administrative support for local authorities; agencies and other bodies to promote, facilitate and deliver a range of schemes and services in connection with Housing, Regeneration and Heritage; improve the supply and quality of housing across Wales, including the standard of local authority and social landlord housing, and improve housing-related services; acquisition, leasing, development and maintenance of land and buildings; housing stock transfers, community mutual support and capacity building; social housing; support for physical regeneration including housing renewal areas and licensing houses in multiple occupation; supporting people; preventing and addressing homelessness; providing grants for adaptations and facilities to enable people to remain in their own homes; regulation and inspection of registered social landlords; Regeneration policy and administration of policies and grants including promoting economic, social and environmental wellbeing for business, individuals, communities and places in Wales; transpose and implement UK, European and international legislation and obligations; administration and delivery of EC structural funded projects; carry out investigations, research, and evaluation; promotion, publicity and services; provide financial assistance to support culture, sport, media and publishing; and the historic environment including funding Amgueddfa Cymru – National Museum of Wales; funding to the National Library of Wales; funding for the Arts Council of Wales; funding for the Wales Millennium Centre; funding for the National Botanic Garden of Wales; funding for the Welsh Books Council; funding for the Sports Council for Wales and organisations that promote sport and active lifestyles throughout Wales; funding to support a Community Radio Fund; funding to support the provision of policy directions to Lottery distributors; funding to support non-national museums, archives and libraries and local and national projects which seek to promote and widen access to cultural treasures; conserving, protecting, sustaining and presenting the historic environment of Wales to achieve an accessible well protected historic environment including current expenditure and the associated running costs and staff costs of Cadw and capital expenditure for grants and for the acquisition of capital assets; funding the Royal Commission on Ancient and Historic Monuments of Wales; any expenditure relating to conserving,</p>	<p>450,878</p>

<p>protecting, sustaining and presenting archaeological remains in Wales, ancient monuments in Wales, buildings and places of historical or architectural interest in Wales, and historic wrecks in Wales; any expenditure on arts and crafts relating to Wales, and on cultural activities and projects relating to Wales; and any related expenditure and non cash resource use.</p>	
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Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Central Services and Administration</p> <p>For use by the Welsh Assembly Government on administration expenditure and running costs including: staff pay costs; payments of national insurance; pension contributions; reimbursement of expenses; compensation; staff loans; car hire and leasing; running costs and investment for the civil estate; the leasing, rental and acquisition of premises; general administrative expenditure; expenditure on IT and telecommunications; expenditure on enabling government; other administrative revenue and capital expenditure; public appointments; enabling and promoting open government; supporting research, including statistical research and evaluation; promoting economic, physical social or environmental wellbeing; planning, attending and marketing of corporate internal communications events and ongoing external communication of Government policy and action; funding for inter-governmental relations, including the British Irish Council, and for constitutional development, including costs arising from any referendum; hosting events of national importance; spatial planning; the costs of public inquiries; the cost of tribunals; funding to public sector bodies for achieving efficiency gains; funding Value Wales, Xchange Wales and Public Service Management Wales; payments to support overseas development and links; grants and financial support to other public sector organisations; support to EU funded projects; programme funding for equality and equal opportunities and for improving social inclusion and social justice; and any related expenditure and non cash resource use.</p>	350,151

Schedule 2 – Use of accruing resources by Welsh Ministers
Part 1: Health, Social Services and Children

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and purposes for which income may be retained</i>
<p>Accruing resources include income under the Pharmaceutical Price Regulation Scheme; income in respect of settlement of legal claims; charges for accommodation, goods and services to private and NHS patients, local authorities and others; repayment of Invest to Save funding from Local Health Boards and Welsh NHS Trusts; income from the Scottish Government, Northern Ireland Executive, Department of Health, other government departments and the European Union; income generation schemes; National Insurance Income from HM Revenue and Customs; non-operating income from sale of land, buildings, vehicles, equipment and property and recoveries of VAT.</p>	<p>Services and purposes include expenditure on primary and community health services; the purchase or acquisition of fixed assets by Welsh NHS Trusts, Local Health Boards and associated healthcare providers; supporting the provision and administration of health and social care services.</p>
Overall amount of Income (£000)	918,067

Part 2: Local Government and Communities

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include grant funding from the European Commission; repayment and recovery of grant payments and recoveries of VAT; fees and charges for inspections and regulatory services; provision of training and development events; charges for dental registration; income from staff secondments; repayment of staff loans; rental income on property; transport studies receipts; compensation under commercial and civil settlements and levy of facilitation fees; income from the sale of capital assets.	Services and purposes include running costs, general administration costs and revenue expenditure of Inspectorates and the Valuation Tribunal; the delivery of training interventions for the Welsh Public Service; supporting expenditure on safer communities and regeneration; the payment of grants to local authorities and Third Sector bodies; all European funded projects; and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	615

Part 3: Business, Enterprise, Technology & Science

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources and funding either direct or indirect from the European Commission; property rental and other associated income; business services charges; project contributions from other public sector and private sector organisations; investment income; grant repayments and repayable business finance; income from the sale of capital assets; levy income for the promotion of Welsh meat; income from fisheries regulation and enforcement activities; income relating to tourism activities; recoveries of VAT.	All European funded projects and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	617,532

Part 4: Education and Skills

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include Post-16 income from European Projects, research & evaluation and business skills development; curriculum and qualifications royalties; recoveries of Student Loans; funding from the Higher Education Research Capital fund; sales of publications and recoveries of VAT.	Services and purposes include supporting European projects, CQFW, programme development, business skills development, research & evaluation current expenditure; to support curriculum and qualifications current expenditure and to support all expenditure as identified within the expenditure Ambit.
Overall amount of income (£000)	106,352

Part 5: Environment and Sustainable Development

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and Purposes for which income may be retained</i>
Accruing resources include income from European structural funds; income from the EU for woodlands; income from wind farm projects; income from Pwllperian Farm or the sale of capital assets; recoveries of grants or settlements in respect of grant payments; recoveries of VAT; income from the salvage of carcasses from animals slaughtered for disease control and income from the EU for the eradication of bovine TB; income from the EU relating to TSE and BSE ; EU aid for beekeeping; income from grant recoveries from local authorities, third sector organisations and other public and private sector organisations; income from marine licences; civil penalty fines associated with emission trading schemes; Food and Environmental Protection Act Licences, Dredging Licences, OFWAT income in respect of the Consumer Council for Water, receipts from sales of assets, funding from other central government departments and recoveries of VAT.	Services and purposes include compensation for the removal of diseased livestock; expenditure relating to the eradication of bovine TB; and expenditure on the promotion of Welsh meat; expenditure relating to Pwllperian Farm; expenditure relating to TSE and BSE and related devolved animal health activities; expenditure relating to the bee health programme; expenditure on Countryside Council for Wales current expenditure; the costs of administering the systems for marine licensing, dredging licenses and Food and Environment Protection Act licenses; and grant payments, schemes part supported by other government departments.
Overall amount of Income (£000)	7,835

Part 6: Housing, Regeneration and Heritage

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Service and Purposes for which income may be retained</i>
<p>Accruing resources include income from repayments of Social Housing Grant; grant recoveries from local authorities, third sector organisations and other public and private sector organisations; Rent Assessment Panel receipts, receipts from the sales of assets, funding from other government departments and recoveries of VAT; Cadw income from admission charges to Cadw sites, sales of souvenirs, publications, (including sales of carrier bags), fees for specialist advisory services and Heritage in Wales membership; other income including income from events, filming, photography at sites, car parking and bequests; funds via European and other funding schemes; Royal Commission income from sales of publications and grants; recoveries of grants or settlements in respect of grant payments; ad-hoc grants from other sources and recoveries of VAT.</p>	<p>Services and purposes include Social Housing expenditure and grant payments and schemes part supported by other government departments; expenditure on Regeneration schemes; Cadw expenditure on archaeology, scheduling monuments, grants for historic buildings and ancient monuments, care and presentation of the monuments in care, and current expenditure/running costs (including staff); all European funded projects; use of proceeds from sales of carrier bags for schemes for charitable purposes; and Royal Commission current expenditure/running costs (including staff).</p>
<p>Overall amount of Income (£000)</p>	<p>76,371</p>

Part 7: Central Services and Administration

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and Purposes for which income may be retained</i>
<p>Accruing resources include income from: staff secondments and fees; repayment of staff loans; the refund of statutory PAYE deductions; recoveries of VAT; the sale of land and buildings; the sub let of properties; the sale of administrative assets; services provided to public sector bodies; administrative income; income from ICT services provided; recovery of costs shared with other public sector bodies; receipts of recoverable grants including Invest-to-Save receipts; and training provider repayments.</p>	<p>Services and purposes include funding of running costs and general administrative expenditure and supporting capital expenditure on the Assembly Government's estate and asset base.</p>
Overall amount of Income (£000)	11,644

Schedule 3 – Expenditure Incurred by Direct Funded Bodies (excluding accruing resources)
Part 1 – National Assembly for Wales Commission

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the National Assembly for Wales Commission on revenue and capital costs associated with the administration and operation of Assembly Services to support the National Assembly for Wales ('the Assembly'); promotion of the Assembly including payments to the Electoral Commission and others; payments in respect of the Commissioner for Standards and Remuneration Board; any other payments relating to functions of the Assembly or functions of the National Assembly for Wales Commission. Resources other than accruing resources for use by the National Assembly for Wales Commission in respect of decisions of the Remuneration Board and expenditure in respect of Assembly Members' Pension provision.	49,950

Part 2 – Public Services Ombudsman for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the Public Services Ombudsman for Wales ('the Ombudsman') on revenue and capital costs associated with the administration of the Ombudsman's office; payments to the British and Irish Ombudsman Association; payments to the International Ombudsman Institute and associated non cash items.	3,911

Part 3 – Auditor General for Wales

<i>Column 1</i>	<i>Column 2</i>
<i>Services and Purposes</i>	<i>Amount £000</i>
Resources other than accruing resources for use by the Auditor General on the discharge of the statutory functions of the Auditor General and local government appointed auditors, and on the administration of the Wales Audit Office.	4,740

Schedule 4 – Use of accrued resources by Direct Funded Bodies
Part 1 – National Assembly for Wales Commission

<i>Column 1</i>	<i>Column 2</i>
<i>Category of accruing resource</i>	<i>Services and purposes for which income may be retained</i>
Accruing resources for retention pursuant to section 120(2) of the Government of Wales Act 2006 and use by the National Assembly for Wales Commission from the disposal of fixed assets and other capital income; rental income; gifts; grant support; recharges; income from commercial sales and other services provided to the public or others	For use on the purchase or acquisition of fixed assets and for use on administrative costs of the Assembly.
Overall amount of Income (£000)	250

Part 2 – Public Services Ombudsman for Wales

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

Part 3 – Auditor General for Wales

<i>Column 1</i> <i>Category of accruing resource</i>	<i>Column 2</i> <i>Services and purposes for which income may be retained</i>
Accruing resources from fees and charges for audit and related services (excluding for local government audit, assessment and inspection work); other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences, provision of administrative, professional and technical services; recoveries of costs of seconded staff; repayments of staff loans; recoveries of car leasing payments; and interest received on working balance fees.	For use by the Auditor General on related services and the administration of the Wales Audit Office.
Overall amount of income (£000)	7,271

Schedule 5: Resource to Cash Reconciliation 2013-14 (£000)

	Welsh Ministers	Assembly Commission	Public Services Ombudsman	Auditor General for Wales
Net Resource Requirement	12,536,987	48,250	3,898	4,724
Net Capital Requirement	435,202	1,700	13	16
Adjustments:				
Capital Charges	-119,100	-4,000	-99	-10
Impairments	-63,204			
Movements in Provisions	-63,036	-500	-50	
Profit/Loss on sale of assets				
Movements in stocks				
Movements in debtors/creditors			25	10
Use of Provisions			242	
Other				
Net Cash Requirement for issue from the Welsh Consolidated Fund	12,726,849	45,450	4,029	4,740

Notes:

1. This table content and format complies with Standing Order 20.7 which states that the draft budget must set out the amounts of resources and cash which the government proposes to use for the following financial year.
2. The following tables in Schedules 6 and 7 are provided for information purposes and follow the format of the annual budget motion.

Schedule 6: Reconciliation of resources requested in the budget motion to resources made available by the Treasury for the Welsh Block for 2013-14

	2013-14 (£000)				
	Revenue DEL	Capital DEL	Revenue AME	Capital AME	Total
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	12,561,208	171,072	-24,221	264,130	12,972,189
- Assembly Commission	47,750	1,700	500	0	49,950
- Auditor General	4,724	16	0	0	4,740
- Ombudsman	4,090	13	-192	0	3,911
Total Resources Requested in the Draft Budget	12,617,772	172,801	-23,913	264,130	13,030,790
<i>Adjustments:</i>					
(i) Resource Consumption of WGSBs and LHBS	176,840	0	37,314	0	214,154
(ii) Grants	-868,089	868,089	0	0	0
(iii) Supported Borrowing	0	88,800	0	0	88,800
(iv) Other	1,844,597	0	0	0	1,844,597
Total Adjustments in the Draft Budget	1,153,348	956,889	37,314	0	2,147,551
- Direct Charges on the Welsh Consolidated Fund	2,420	0	0	0	2,420
- Wales Office	6,132	724	0	0	6,856
- Unallocated Reserve	213,205	18,923	0	0	232,128
Total Managed Expenditure (Block)	13,992,877	1,149,337	13,401	264,130	15,419,745

Notes:

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

Item	2013-14 £000
Payments to the National Loans Fund	1,686
Salaries and related pension costs of the Presiding Officer and the Deputy Presiding Officer	239
Salaries and related pension costs of the Ombudsman	187
Salaries and related pension costs of the Auditor General	190
Salaries and related pension costs of the Commissioner for Standards	26
National Non Domestic Rates Income	-944,000
National Non Domestic Rates Payable	944,000
Election Costs	92
Total	2,420

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

	2013-14
Estimated net amounts payable to Welsh Ministers:	
Grant payable by the Secretary of State to the Welsh Consolidated Fund under Section 118 (1)	12,944,839
Payments from Other Government Departments	886,953
Payments from other sources	1,795,463
Estimated amounts payable to Welsh Ministers	15,627,255
Less amounts authorised to be retained by Welsh Ministers	-1,738,416
Less amounts retained in the Welsh Consolidated Fund	-944,000
Amounts available for distribution from the Welsh Consolidated Fund	12,944,839
Distributed as follows:	
- Welsh Ministers	12,726,849
- Assembly Commission	45,450
- Ombudsman	4,029
- Auditor General	4,740
Cash Released from the Welsh Consolidated Fund in the Motion	12,781,068
<i>Plus:</i>	
Direct Charges on the Welsh Consolidated Fund	2,420
Unallocated Funds	161,351
Total Estimated Payments	12,944,839

Notes:

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

October 2012

Annex A

**Indicative Resource and Cash
Allocations for
2014-15**

Summary of Resource and Capital Requirements

Welsh Ministers

Ambit	Indicative 2014-15	
	Resources (£000)	Accruing Resources (£000)
Health Social Services and Children	5,337,629	918,067
Local Government and Communities	4,290,417	615
Business, Enterprise, Technology and Science	291,321	618,718
Education and Skills	1,984,754	119,690
Environment and Sustainable Development	315,292	7,835
Housing, Regeneration and Heritage	444,429	76,639
Central Services and Administration	353,165	11,485
Total Resources Requested and Accrued Income relating to Welsh Ministers	13,017,007	1,753,049

Indicative Resource to Cash Reconciliation for 2014-15

	Indicative 2014-15 (£000)
Net Resource Requirement	12,094,078
Net Capital Requirement	922,929
Adjustments:	
Capital Charges	-118,880
Impairments	-51,709
Movements in Provisions	-63,554
Profit/Loss on sale of assets	
Movements in stocks	
Movements in debtors/creditors	
Use of Provisions	
Other	
Net Cash Requirement for issue from the Welsh Consolidated Fund	12,782,864

Notes:

This annex complies with Standing Order 20.7 and sets out provisional amounts of resources and cash which the government proposes to use for 2014-15. The 2014-15 financial year is the last in the current UK Spending Review period and is the last year for which we have a firm allocation.



Llywodraeth Cymru
Welsh Government

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Draft Budget 2013-2014: A Budget for Growth and Jobs



Foreword

A Budget for Growth and Jobs

The budget proposals I am publishing today reflect our sustained commitment to delivering improved outcomes for people across Wales as set out in the Programme for Government. Alongside the Wales Infrastructure Investment Plan, the emphasis we are continuing to place on Growth and Jobs has shaped our spending plans and ensures our budget priorities reflect and respond to the current financial context.

We have said from the outset that delivering a **Budget for Growth and Jobs** is our key priority in the current economic climate. The UK economy returned to recession at the end of last year and there is little sign of a significant recovery on the horizon. We still believe that the UK Government is not going far enough in its actions to stimulate growth. In these conditions, we must use all of the tools available to us to provide support to people across Wales and to help stimulate the economy. That is why we are continuing to maximise the resources available to us through our Budget for Growth and Jobs. We seek a matched commitment from the UK Government to deliver these goals.

We want to see a Wales with a strong economy, a Wales with 21st Century networks for transport, IT and energy, a low-carbon Wales and a skilled and efficient Wales with strong public services. That is why we have prioritised strategic capital investment and this Draft Budget allocates £175m in additional capital funding to support delivery of the priorities in the **Wales Infrastructure Investment Plan for Growth and Jobs**.

We are using the resources at our disposal effectively and in line with our priorities. However we continue to engage with the UK Government to enhance these – through a fairer funding package and access to our existing borrowing powers to fund capital projects across Wales. We also await the outcome of the Silk Commission and are actively exploring a number of financial initiatives which would significantly enhance our funding capacity.

In preparing the Draft Budget 2013-14 we have conducted a review of our spending plans to ensure that they are aligned to support delivery of the Programme for Government. This approach was informed by the Programme's annual report which provides detail on the progress we have made against our key commitments. The Departmental chapters of this document set out the key programmes supporting delivery and highlight where we have made changes to respond to challenges.

Our spending plans reflect our commitment to social justice and earlier this year we published our Tackling Poverty Action Plan which aims to tackle the impacts of poverty now and prevent poverty in the future. Our Action Plan is supported by our budgeting priorities through early years interventions, a focus on skills and qualifications and by ensuring that we prioritise the needs of the poorest and most vulnerable, particularly responding to the impacts of the UK Government's welfare reform agenda.

We have continued to place equality considerations at the centre of our budget process, and building on the work undertaken in previous years, we will shortly publish a stand alone document which provides an equality impact analysis of our spending plans. We are continuously improving our work and have worked closely with the Equality and Human Rights Commission to review the approach we take to Equality Impact Assessments.

This year we have taken a number of steps to improve the presentation of our Budget. In developing our approach for this year we have sought to improve openness and transparency, working closely with the Finance Committee to support the scrutiny process. We have already taken a number of steps to help improve the transparency of Budget material, including providing a written report on the 2011-12 outturn. To build on this, we are providing greater clarity in this Draft Budget of how our spending plans link to the outcomes we seek to achieve for the people of Wales.

We are committed to meeting our obligations under the UN Convention on the Rights of the Child. Alongside the Draft Budget, we are providing more accessible information on our Budget proposals for children and young people.

Our **Budget for Growth and Jobs** clearly demonstrates the approach we are taking to deliver against the commitments in the Programme for Government. This includes being clear about how our spending plans are aligned to support our key priorities of promoting sustainable economic growth, safeguarding the most vulnerable in society and protecting and improving our frontline services throughout Wales.

Jane Hutt AM

Minister for Finance and Leader of the House

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Any queries on the content of this document should be sent to:
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1. Introduction

1.1 The UK Government's Spending Review set our budget for the period 2011-12 to 2014-15 and represented the most difficult settlement for Wales since devolution. Since then, our response to reducing budgets has continued to be shaped by the very challenging economic context and we have worked hard to ensure that we utilise the resources that are available to us to deliver maximum benefits to Wales.

Programme for Government

1.2 We have been clear on our priorities and the outcomes we want to achieve for the peoples of Wales. The **Programme for Government** sets out the outcomes that we are working towards – a more prosperous economy, better public services, improved education, equality, health, social services and housing. It details how our legislation, programmes, policies and funding will contribute to making the difference we want to make for people in Wales. We are committed to reporting annually on our progress. The spending plans reflected in this Draft Budget continue to be shaped in this context.

1.3 The main focus of our budget preparations this year has been on ensuring that our spending plans are aligned to deliver our priorities and we have used the **Programme for Government annual report** to inform this work. Last year we announced additional allocations of £129m in support of our **Five for a Fairer Future** commitments. We are confident that our budgets are, in the main, in the right place to deliver against our commitments. However, we have, in some areas, taken steps to make changes to our plans to support delivery, the detail of which is set out in the Departmental chapters of this narrative.

A Budget for Growth and Jobs

1.4 At the heart of the Programme for Government is our vision for a more prosperous economy. Ensuring growth in the economy and creating and sustaining jobs is a priority for the Welsh Government. That is why we published a **Budget for Growth and Jobs** last year and why Growth and Jobs continues to be the focus of this Draft Budget. We have sustained our programme of interventions and actions to support the economy during these challenging times. Since the Final Budget 2012-13 was approved, we have announced a number of additional measures to boost the economy, including:

- **An extra £15m** for the Wales Economic Growth Fund;
- the **Local Government Borrowing Initiative** which will enable up to £170m of investment in highways improvements to be made over the next three years;
- the publication of the **Wales Infrastructure Investment Plan** which translates our commitment to supporting growth and jobs into capital investment plans; and
- a **£44m** capital investment package for hospitals, road improvements and houses.

Additional Capital Investment

- 1.5** Building on the steps we have taken to maximise capital investment, we are allocating **£175m** additional capital in this Draft Budget to support the delivery of the key investment priorities set out in the Wales Infrastructure Investment Plan. This includes a number of measures to support the economy. For example, we are investing an additional £65m over the next two years in essential transport improvements to support good transport links which are key to improving the economy.
- 1.6** Taken together, this package of investment will deliver real benefits across Wales, creating or supporting more than 3000 jobs over the next two years, providing longer term growth benefits and better infrastructure for key public services. Further details are provided in Chapter 4 and in the Departmental chapters of this narrative.

Public Service Reform and Efficiency

- 1.7** We have a good track record of delivering efficient and effective public services in Wales and this was recognised by the Public Accounts Committee in its report ***A Picture of Public Services*** which was published in April 2012. In times of reducing budgets, it is important that we continue to drive this agenda forward at pace. Developing a pan-sector response and working collaboratively across the public service is key to meeting this challenge. More detail on the approach we have taken to deliver against this agenda, along with an update on achievements so far, is set out in Chapter 5.

Equality

- 1.8** The Welsh Government is committed to doing everything it can to narrow the equality gap. This is made particularly difficult by the decisions the UK Government is taking, especially around Welfare Reform, but we will take every measure possible to mitigate the worst impact of the UK Government's actions.
- 1.9** We were the first UK Government to assess the impact of our spending proposals and over the last few years we have looked at how we can improve our approach to equality impact assessments.
- 1.10** Building on the work we have done in previous years, we will publish shortly an Equality Impact Assessment of our spending plans. This reflects how equality considerations are at the heart of the budget process. For the first time, and in support of the Tackling Poverty Action Plan, we have considered the impact on different socio-economic groups as part of our Equality Impact Assessment.

Sustainable Development

- 1.11** We remain committed to sustainable development as our central organising principle. As part of this Draft Budget, we have looked to provide more information on the approach we are taking to ensure that sustainable

development is embedded into the development of our policies and programmes, including in the Draft Budget. We view this work as integral to the budget process and Chapter 7 sets out the work we have done to integrate economic, social and environmental wellbeing into our decisions.

Presentation of the Draft Budget

1.12 One of the key themes raised during the scrutiny of our proposals last year was around the presentation and transparency of our spending plans. In preparing this Draft Budget, we have considered how we can improve the Budget process and the transparency of Budget material. In light of this, we are:

- providing a greater level of detail on Invest-to-Save information in the Budget Main Expenditure Group Action tables;
- highlighting the year-on-year changes affecting each Main Expenditure Group, at Annex C; and
- providing a separate reconciliation showing how our Budget proposals align with the Programme for Government, at Annex D.

1.13 We are also looking to ensure consistency of approach in the way information is provided to Committees during the scrutiny stage. Taken together, we hope the steps we have taken to improve the presentation and transparency of our spending plans will better support the scrutiny process.

2. Strategic Context

Public Spending Context

- 2.1** The Draft Budget 2013-14 sets out our spending plans for 2013-14 and indicative plans for 2014-15, which are the final two years of the current Spending Review period. Our Budget proposals build on the approach we have taken in previous years to maximise the impact of public spending in Wales in the face of reducing budgets.
- 2.2** It is our normal practice to publish budget proposals for three years. However, 2014-15 is the final year for which we have a firm settlement. Although the UK Government has published its headline spending plans for the first two years of the next Spending Review, uncertainties in terms of economic forecasts and UK Government responses makes it difficult to accurately predict the Welsh budget settlement in the next Spending Review period. For those reasons, we are not providing indicative allocations at this stage beyond 2014-15.
- 2.3** This uncertainty has presented a significant challenge for the Welsh Government as we prepare spending plans that need to be able to respond to a shifting landscape. Added to this, the impact of decisions in non-devolved areas has continued to provide further challenge. This is most acutely felt with the reform of welfare benefits where planned cuts to working age benefits and tax credits by the UK Government will see reductions of around £18bn or around 8 percent of the social security and tax credit benefit budget.
- 2.4** We know that these cuts will be felt disproportionately in Wales as we have a higher dependency on welfare benefits than the UK as a whole. We are already working hard to assess the cumulative impact of the welfare reforms in Wales and in support of our Programme for Government commitment, the results of this work will be used to inform the approach we take to mitigate the impact of these changes to the benefits system where possible.
- 2.5** We remain concerned about the cumulative impact of these changes on the poorest and most vulnerable people in Wales, particularly as they are on top of the most severe budget cuts in a generation. The settlement we received in the UK Government's 2010 Spending Review represented the most challenging allocation for Wales since devolution and between 2010-11 and 2014-15, our budget reduces by 12 percent in real terms. Overall, our total DEL budget in 2013-14 will fall by £300m in real terms and by 2014-15 will be £1.8bn lower than in 2010-11¹. By 2014-15, the Welsh Budget will be £2.1bn lower in real terms than at its peak in 2009-10 and around the same level as in 2005-6.
- 2.6** The reductions to our capital budgets are particularly severe and our budget for investing in capital projects in 2014-15 will, in real terms, be 55 percent of what it was in 2009-10. This is despite the additional capital funding provided in

¹ Excluding depreciation.

2013-14 and 2014-15, available as a result of the UK Government's Autumn Statement and the March Budget 2012.

- 2.7** We remain committed to protecting the most vulnerable people in society and as far as possible, we have sought to mitigate the impact of reductions by protecting investment in vital frontline services, including schools, skills, secondary and community healthcare and social services. We have also protected funding for universal benefits.
- 2.8** We have worked strategically to ensure that the resources that are available to us are utilised to deliver maximum benefits to Wales. That is why we took the decision in 2011-12 to invest £38.9m to provide a short term economic stimulus. This package over a two-year period consisted of skills initiatives and capital infrastructure investment, including schools and housing. Earlier this year, we also allocated an additional £44m of capital to support a package of strategic capital investment which will create or protect over 1,300 jobs.
- 2.9** Building on this approach, the development of the Wales Infrastructure Investment Plan for Growth and Jobs has helped ensure that the £175m of additional capital we are allocating as part of this Draft Budget prioritises investment where it will be most effective.
- 2.10** Whilst we have been able to cushion the impact of cuts so far, the outlook for public expenditure looks unlikely to improve in the short term. We await an announcement on the next Spending Review but early indications from the UK Government suggest that public sector expenditure will continue to be constrained. Added to this are the difficulties presented by an ageing population, increasing costs in service delivery and the provision of new treatments, as well as rising expectations in the quality of public services.
- 2.11** Much of this is out of our control and the challenge of maintaining and protecting services is likely to become even greater over the next Spending Review period. With the continuing uncertainties surrounding the situation in the Eurozone and the rate of future economic growth we need to ensure that we are flexible and well-positioned to respond to future events.

Economic Position

- 2.12** The UK and Welsh economies have suffered greatly following the recession in 2008-9, with Gross Domestic Product (GDP) in the UK falling by more than 6 percent between 2008 and 2009. This represents the steepest decline recorded in recent economic history.
- 2.13** The latest forecasts from the Office of Budget Responsibility (OBR) indicate that the economy is likely to face a prolonged period of underperformance that will last for a number of years, and there is a real risk of an even more negative outcome, particularly if the Eurozone fails to resolve its debt crisis. The next set of forecasts from the OBR are due to be produced towards the end of the year, and if they reflect the current expectations of most independent forecasters they will contain a further downgrading of prospects.

- 2.14** All the evidence suggests that the UK Government's efforts to promote recovery are failing and the economy returned to recession in late 2011. Whilst Wales has rightly played its part in reducing the deficit we have been clear that the UK Government's cuts go too far, too fast. We have continually argued that the UK Government should rethink their approach and deliver a budget that will provide a real economic stimulus. A recent report from the National Institute for Economic and Social Research has provided further support for this position and suggested that the austerity measures introduced by the UK Government will have cost Britain a 16.5 percent reduction in GDP over a decade. The publication of the recent UK Government's borrowing figures underscored the position and may lead the OBR having to make some upward revisions to its borrowing estimate for this financial year.
- 2.15** Alongside this, uncertainties in the Eurozone continue to pose a very major challenge. Although it is difficult to quantify, it is clear that there is an ongoing negative impact on export demand and on business confidence, with implications for investment and employment. If the Eurozone fails to resolve its debt crisis, or even worse, if there is a disorderly break up of the Eurozone, the implications for Wales and the UK could be very severe indeed.
- 2.16** These uncertainties, coupled with the drastic reductions to our Budget, have affected our ability to mitigate the impact of the economic downturn. This is particularly true for infrastructure investment where capital funding is required to reconfigure services and deliver better value for money in the longer term. That is why we have continually called for the UK Government to increase significantly or bring forward, capital investment. It is also why a key aim continues to be securing a fairer funding package for Wales.

Fairer Funding

- 2.17** The Welsh Government believes that the funding of devolved public services in Wales requires significant reform. Over the past year, we have held a series of talks with the UK Government about how we can make progress towards a fairer system for setting the Welsh block grant. In addition, we have been negotiating to secure access to existing borrowing powers that would enable us to invest in major infrastructure projects and support economic recovery. The current phase of the process is now drawing to a close and we will make an announcement on the progress that has been made in the coming weeks.
- 2.18** In parallel, the UK Government's Silk Commission has been reviewing the case for wider reform, including the possibility of devolving powers over certain taxes to Wales. We look forward to considering the Commission's recommendations when they are published later this year. The Welsh Government remains committed to working constructively with the UK Government to deliver a fair and accountable funding regime for Wales.
- 2.19** Whilst this work progresses, we continue to look for more innovative financing options to help mitigate the impact of reductions to our budget and to deliver maximum benefit to Wales with the resources available. This was a key

commitment in the Programme for Government and we are already making significant progress with the development of new and innovative financing options in support of the strategic infrastructure priorities set out in the Wales Infrastructure Investment Plan for Growth and Jobs.

- 2.20** We are also working to ensure that our investment decisions provide community benefits to optimise local supply chain, employment and training opportunities. More information on our approach to innovative financing is set out in Chapter 4.

3. Budget Priorities

Programme for Government

- 3.1** We know that in the current economic climate, and with the cuts imposed by the UK Government, it is vital that we are clear about our priorities and that our spending decisions support our objectives. This is the approach we have taken through our Programme for Government, where we have set out the outcomes we are working to achieve, the evidence that underpins our decisions, and, through this Draft Budget, the funding mechanisms that will deliver on these commitments.
- 3.2** The economic and financial backdrop requires us to take action to support businesses in Wales. Through our **Budget for Growth and Jobs** we are investing an additional £20m over the next two years in high-speed broadband to ensure universal access by 2015. £10m of this is included in the additional £175, capital package we are allocating to support delivery of the priorities set out in the Wales Infrastructure Investment Plan for Growth and Jobs. We are continuing to invest in our workforce through the provision of Jobs Growth Wales, supported by £75m over between 2012-13 and 2014-15, allocating £4.2m in 2013-14 for the Young Recruits Programme and have utilised £2.8m in European Structural Funds to support the Pathways to Apprenticeships scheme. Taken together, these initiatives will have a real and tangible impact on Wales' long-term economic success.
- 3.3** While it is important that we support the private sector in its endeavours, we also need to transform our public services in Wales to help them face current challenges and to ensure they continue to meet the needs of Wales. It is for these reasons that we are realigning resources to improve access to GP services for working people; providing additional support to children living in disadvantaged communities by increasing capital funding by £13m in this Draft Budget for Flying Start; and improving the quality of our educational facilities through £43.3m additional investment in the 21st Century Schools programme.
- 3.4** We are also confirming the indicative allocations made in the Final Budget 2012-13 to support the Pupil Deprivation Grant with £20m in each year of 2013-14 and 2014-15. This additional funding will support schools to invest in effective approaches for tackling the impact of deprivation.
- 3.5** In line with the Programme for Government, we are committed to delivering on **Five for a Fairer Future**, and in the Final Budget 2012-13 we announced an additional £129m up to 2014-15 to support these key initiatives. The Departmental chapters of this narrative provide more detail on the approach that has been taken to ensure spending plans are aligned to deliver on these individual commitments.
- 3.6** Across all areas of policy we are working to deliver the outcomes set out in the Programme for Government. The decisions we have taken as part of the Draft Budget continue to drive the Programme forward. We have matched our

spending to our priorities, and have set Wales on the path to a fairer, more prosperous, and more sustainable long-term future.

Legislation Priorities

3.7 The Programme for Government shows how the actions the Welsh Government is taking, including through its legislative programme, will improve people's lives. In July 2011, the First Minister set out the Welsh Government's five-year legislative programme of over twenty Bills to help improve public services and create opportunities for everyone.

3.8 By the end of the first legislative year, the Welsh Government had introduced into the Assembly the Local Government Byelaws (Wales) Bill, the School Standards and Organisation (Wales) Bill, the Food Hygiene Rating (Wales) Bill and the Public Audit (Wales) Bill.

3.9 Building on this, in July 2012 the First Minister set out his legislative priorities for the second year of the Welsh Government's five year legislative programme. The eight bills expected to be introduced are:

- the Local Democracy Bill - bringing greater transparency around the local elections process and the activities of local representatives. The Bill will be introduced in 2012-13;
- the Control of Dogs Bill - introducing key changes to current dangerous dogs legislation to protect the public by promoting responsible dog ownership. The Bill will be introduced in 2013;
- the Human Transplantation Bill - a major step forward in implementing a soft opt-out system of consent to organ donation in Wales. The Bill will be introduced by the end of 2012 with a view to a new soft opt-out system being implemented in 2015;
- the Social Services and Well-being (Wales) Bill - providing, for the first time, a coherent legal framework for social services in Wales. The Bill will be introduced at the beginning of 2013;
- the Active Travel Bill - helping the people of Wales become healthier, more active and more environmentally aware. The Bill will be introduced in 2012-13;
- the Public Service Workforce Bill - placing the workforce at the centre of public service improvement in Wales. Subject to consultation, this Bill will be introduced next spring;
- the Further and Higher Education (Wales) Bill - implementing many of the recommendations of the Humphreys Report on the governance of Further

Education Institutions in Wales. It will also make changes to the structure of the body responsible for Higher Education strategic planning and funding. The Bill will be introduced in 2012-13 ; and

- the Education (Wales) Bill - providing for improved performance management in teaching and reform of the existing system of statements for children and young people with Special Educational Needs. The Bill will be introduced in 2012-13.

3.10 In addition to these Bills, legislative consultations will also be undertaken on further proposals including:

- Eradication of Violence Against Women and Domestic Abuse;
- the Sustainable Development Bill;
- the Environment Bill; and
- a consultation on a Bill relating to renting homes and tenancy reform.

3.11 Many of the costs associated with legislation will not materialise until the legislation is implemented, which is often outside the timescales of this Draft Budget. Detailed costings will be developed as part of the Regulatory Impact Assessments and appropriate provision made in future budgets. The Departmental chapters provide an overview of the legislation for each Department.

4. Capital Investment

- 4.1** In developing our spending plans for 2013-14, we were acutely aware of the unprecedented reductions to our capital budget as a result of the UK Government's cuts. We have been clear all along that stimulating and strengthening the Welsh economy in these tough times remains a top priority for the Welsh Government and we are committed to using all the tools and powers at our disposal to support this aim – concentrating our resources where we can add the most value to act as an enabler of growth and generate employment.
- 4.2** We know that investment in infrastructure can have a significant effect on growth and jobs, and that our approach to capital investment can make all the difference to delivering key outcomes for Wales. We also recognise the importance of sustained investment in our public sector infrastructure to ensure the longer term sustainable health of people in Wales.
- 4.3** Our approach to capital investment has a dual focus. Firstly, we are committed to spending our limited resources as effectively as possible and in support of our priorities. That is why we are pleased to announce an additional £175m capital investment as part of this Draft Budget to support strategically important projects across Wales. Secondly, we are looking to boost our resources wherever possible through a range of innovative financing schemes. As part of this Draft Budget, we are providing further information on a number of these initiatives which, when taken together, amount to over £250m of Welsh Government funding between now and 2020. This investment will enable around £1.3bn capital investment in Wales over the same period. More information on these schemes can be found at the end of this Chapter.
- 4.4** This dual approach should go some way to mitigating the impact of the 45 percent real terms reduction to our Capital DEL between 2009-10 and 2014-15.

Wales Infrastructure Investment Plan

- 4.5** In May, the Welsh Government published the Wales Infrastructure Investment Plan which reflects our commitment to supporting growth and jobs across Wales. The Plan also provides the foundations vital for ensuring that future Welsh Government capital investment delivers the maximum possible benefit to Wales, creating the infrastructure required for sustainable economic success across Wales.
- 4.6** Public procurement has a key role in supporting economic growth, and we are working hard to ensure that our investment in infrastructure is used to optimise local supply chains, employment and training opportunities. Application of our Community Benefits policy has increased and there are now nearly 80 projects worth over £4bn which have incorporated clauses – guaranteeing training and employment of disadvantaged people and the use of local supply chains – within procurement exercises. A new plan to further strengthen Community Benefits has been initiated, including a revised Task Group to drive progress, chaired by Martin Mansfield, General Secretary of the Wales TUC.

4.7 Our spending plans support the priorities identified in the Wales Infrastructure Investment Plan for Growth and Jobs and include additional allocations in line with these priorities. We have concentrated our resources where we can add the most value. This includes building a 21st Century network for transport, IT and energy, a low-carbon Wales with sustainability at its core, and a skilled and efficient country where businesses thrive and where our expertise is globally renowned. We are also committed to ensuring that we continue to invest in public services and this is reflected in the additional capital allocations we have made to health, schools and housing in recent years.

4.8 We will finance infrastructure investment through prioritising and making more efficient use of existing resources, and exploring and implementing innovative finance approaches. We are clear about the information we present to our delivery partners in the public and private sectors through the pipeline of public sector schemes. We cannot achieve this alone and we are working closely with business, local government, the housing sector and the third sector to maximise investment in areas of common interest.

Wales Infrastructure Investment Plan:

- Details our policy and approach to securing public value through better prioritisation of our investment – focusing on larger, more transformative investment opportunities with the biggest economic benefits, which are articulated as seven high level investment priorities:
 - Improving the transport network in Wales – focussing on East-West links and developing Cardiff Airport;
 - Improving telecommunications networks;
 - Supporting the development of the energy industry in Wales;
 - Investing in housing;
 - Delivering more efficient and economical public services – in particular supporting our vision for the NHS in Wales;
 - Improving the quality of the educational estate, particularly schools; and
 - Developing our Enterprise Zones.
- Sets Welsh Government policy on best practice approaches to be used in developing and delivering our investment – getting ‘more for less’ by optimising value for money through a more consistent and robust approach to business case development and appraisal across the Welsh Government; better monitoring of the investments we support and a new approach to the oversight and control of major schemes to ensure they deliver appropriately on time and to budget.
- Outlines our approach to increasing investment through innovative finance – leveraging more funding into public sector infrastructure investment to boost jobs and growth by identifying innovative financing approaches.
- Increases transparency of Welsh Government capital investment to our delivery partners - providing a detailed project pipeline for the next three years and ‘direction of travel’ for the longer-term as well as a focal point for Welsh infrastructure to help inform more strategic decisions across government, identify opportunities and allow for a strong, single point of informed lobbying when negotiating strategic infrastructure issues with UK Government.

Additional Capital Allocations

4.9 The Wales Infrastructure Investment Plan has provided the strategic context for allocating £64m in 2013-14 and £111m in 2014-15 of additional capital investment to support the delivery of key Welsh infrastructure. This £175m package will deliver real benefits across Wales, creating or supporting more than 3,000 jobs over the next two years, providing longer term growth benefits and better infrastructure for key public services.

4.10 The allocations will support delivery of our investment priorities.

Improving transport:

- **£40m for the Brynmawr to Tredegar section of the A465 Heads Of The Valley Dualling Programme.** This investment - £10m in 2013-14 and £30m in 2014-15 – will accelerate delivery of 7.8km of new and reconstructed dual carriageway as part of the wider Heads of the Valleys regeneration programme.
- **£25m for improvements to the A55 Conwy Tunnel.** This additional capital will deliver an essential upgrade of the Conwy Tunnel to improve safety. £5m will be invested in 2013-14 and £20m in 2014-15.

Improving telecommunications networks:

- **£10m in 2014-15 to support the Next Generation Broadband Programme,** which – when combined with commercial investments – will mean 96 percent of businesses and homes in Wales will be able to access a fibre-based broadband service by the end of 2015. The Programme, together with BT's overall investment in Wales, will see £425m invested to expand high-speed broadband throughout Wales.

Investing in housing:

- **£12m to expand the Welsh Housing Partnership.** The delivery of units for intermediate rent at a low subsidy rate provides good value for money, and creates a significant number of job opportunities. An additional £6m has been allocated in both 2013-14 and 2014-15, leveraging in some £48m of additional private sector funding and delivering more than 500 additional affordable homes.
- **£10m for improving domestic energy efficiency** - £5m in both 2013-14 and 2014-15. This funding will be used to lever in external private investment through the new Energy Company Obligation (ECO) which will operate alongside ARBED Phase 2 and also for expansion of NEST. The additional funding will enable improvements in energy efficiency of an extra 1,600 Welsh homes, focusing on those in fuel poverty.

Delivering more efficient and economical public services:

- **£18m for HealthVision Swansea.** The additional investment will enable acceleration of the revised Phase 1B scheme of the Health Vision Swansea Programme as part of the larger redevelopment of Morriston Hospital Swansea. £5m has been allocated for 2013-14 and £13m for 2014-15.
- **£13m for Flying Start,** the Welsh Government's flagship early years programme and one of our Five for a Fairer Future pledges, providing free, quality childcare to 2-3 year olds in some of Wales' most disadvantaged areas as well as an enhanced health visiting service, parenting programmes and support for early language development. This new investment, building on the extra £3m already allocated in both 2012-13 and 2013-14 will enable the delivery of additional childcare facilities across Wales. An extra £9m has been allocated for 2013-14 and £4m for 2014-15, bringing the total additional capital investment in this programme to £19m.
- **£12m for the University Hospital Llandough Adult Acute Unit and Reshaping Mental Health Service at Glanrhyd Hospital in Bridgend.** Additional capital – £5m in 2013-14 and £7m in 2014-15 – will support the earlier delivery of improved facilities and services for people with mental illness in South Wales.

Improving the quality of the educational estate

- **£15m for the 21st Century Schools programme** in 2013-14 to enable acceleration of a number of schemes. Working with local authorities, the Welsh Government is exploring the scope to accelerate the programme further.
- **£10m in 2014-15 to accelerate the new post-16 Further Education campus for Cardiff and Vale College in Cardiff city centre.** This scheme will provide a substantial presence for further education and the learning and skills development needs of individuals, communities and businesses in the city.

4.11 We will also be investing an additional **£10m to support a programme of vital flood and coastal defence improvements across Wales.** One sixth of properties in Wales are at risk from flooding with 220,000 homes and businesses located on the floodplains of Wales as well as key infrastructure such as power supplies, transport links, schools and hospitals. £4m has been allocated in 2013-14 and £6m in 2014-15

4.12 In addition to these allocations which are being made now, we are developing options for additional capital investment in other key priority areas, including: Enterprise Zones; expanding the Welsh Economic Growth Fund; and improving the M4 Brynglas tunnels.

4.13 We will continue to utilise the robust business assurance and project and programme management practices set out in the Wales Infrastructure Investment Plan to ensure the investments we make, deliver excellent value for money for Wales.

Innovative Financing

4.14 We have been consistently clear about the challenge of providing funding for capital and infrastructure investment in an environment of substantially reduced budgets. This is one of the key drivers for pursuing new borrowing powers and we welcomed the conclusions of the Finance Committee in its recent report on *Borrowing Powers and Innovative Approaches to Capital Funding*.

4.15 Whilst we work to access existing borrowing powers, we are committed to developing alternative ways of maximising the use of our existing resources and mitigating the impact of our drastically reduced capital budgets. This was a key commitment in the Programme for Government and we are already making significant progress with the development of new and innovative financing options in support of the strategic infrastructure priorities set out in the Wales Infrastructure Investment Plan.

4.16 We recognise that there is a strong economic and value for money case for boosting resources available for investment in public infrastructure in Wales over and above the level of Government capital budgets. This is because of both the significant cuts to our capital budgets as a result of the last Spending Review and the economic and social benefits of bringing forward much needed infrastructure projects which would otherwise be delayed by many years – or possibly not happen at all. There is a clear imperative for investment to boost jobs in both the short and the long term and acting now gives us the opportunity to take advantage of the relatively low cost of borrowing.

4.17 Securing additional private funding for Welsh public infrastructure investment is central to the Welsh Government's objective of boosting capital investment. We are considering the full range of potential funding partners and a wide range of delivery mechanisms, including the development of non dividend investment vehicles. We will be making further announcements about the way forward later this year.

4.18 However, the Welsh Government has made it clear that it does not favour the use of the Private Finance Initiative (PFI), and welcomed the announcement last year of a fundamental review of PFI by HM Treasury, following critical reports from both the Treasury Select Committee and the Public Accounts Committee. One consequence of the Welsh Government's stance regarding PFI is that Welsh budgets are not burdened with large revenue liabilities. For example, the liability for PFI schemes in Wales is about one tenth of the level in Scotland – £100m per year in Wales compared to £1bn per year in Scotland.

4.19 This relative lack of indebtedness provides the opportunity for the Welsh Government to continue to develop new, innovative mechanisms to attract

private investment into public infrastructure in the coming years. For example, we have:

- established the first UK JEREMIE fund, with a capital value of £150m, which includes £75m of European Investment Bank funding;
- established the £40m SME Investment Fund, a joint enterprise with Barclays, which will help to create between 2,000 and 4,000 jobs;
- created the £16m Welsh Housing Partnership (WHP) in 2011. Since then, we have announced an additional £18m to expand the WHP, which will bring about a total investment of £90m;
- set up the Ely Bridge Development Corporation (EBDC) in partnership with the Principality Building Society. This company is a social enterprise that will lead a new venture using an innovative investment model to unlock £60m of capital funding to build much-needed housing. EBDC will deliver around 700 homes, more than half of which will be affordable properties. We are now exploring the scope to apply this model elsewhere in Wales;
- established a £4m annual funding stream to establish a new mechanism to deliver affordable housing which will finance delivery of more than 1,000 affordable homes over the next four years;
- developed an innovative waste programme, enabling local authorities in Wales to work together to procure revenue-funded residual waste treatment facilities. The long term provision of gate fees provides the incentive for the private sector to deliver the required infrastructure. The total capital value of these projects is in the region of £780m. The first schemes are now reaching fruition with the first Anaerobic Digestion project in Gwynedd which started construction last month and services for the Central Wales food waste contract planned to begin in November; and
- launched the Local Government Borrowing Initiative, which will enable up to £170m of investment in highways improvements to be made over the next 3-years. We are now exploring the potential for applying this initiative to other local authority assets.

4.20 Our plans are clearly ambitious but we are also being prudent. Wherever we seek to exploit innovative finance opportunities, we will undertake a thorough and robust analysis to demonstrate that such investments deliver real public value to the people and economy of Wales.

5. Public Service Reform and Efficiency

- 5.1** The Welsh Government is committed to improving and supporting the delivery of quality services, despite our reducing budgets. This is becoming increasingly challenging as cuts to public spending continue but we have made good progress in making Welsh public services as resilient and effective as possible.
- 5.2** We firmly believe in the value of public services but recognise that these services need to adapt to growing needs and expectations as well as the challenging financial circumstances. Our main aim is to protect and improve the quality of public services to the people of Wales.
- 5.3** The Public Accounts Committee has recognised in its report of April 2012, 'A Picture of Public Services', that we have made good progress in identifying good practices and approaches, many of which are shared on the WAO's Good Practice Exchange Website. We now need to increase the pace and scale of change and continue the ambitious programme of work responding to recommendations from key reviews. These include the Simpson review of local government services, the Frontline Resources and Vivian Thomas Reviews of education services, as well as the reform of social services, the NHS five-year strategic plan and the ICT Strategy for the Public Sector in Wales.
- 5.4** The role of the public service workforce is critical in taking forward this change. The Workforce Partnership Council is very much at the heart of this agenda, working with the aim of avoiding compulsory redundancies. We have also set-up the Leadership Academi to improve management and leadership across the Welsh public service and collaborative working across traditional boundaries.
- 5.5** Our Programme for Government set out our aim to support the delivery of effective and efficient services which meet the needs of people in Wales, developing one distinct and unified public service across Wales. Our approach to reform across public services is focused on 3 strands:
- collaboration not competition;
 - simplification not complexity; and
 - accountability for what we do.

Collaboration

- 5.6** Our regional footprint for collaboration provides clarity by setting out consistent areas for public service collaboration. This gives a framework for local decision making, provides stability and reduces complexity for public services and the public. The recently announced changes to the Supporting People programme, local safeguarding boards, and social services commissioning have all been based on these areas and these will need to be the starting point for considering and implementing future collaborations.

Simplification

- 5.7** We have published final guidance on the development and implementation of a Single Integrated Plan. This replaces a number of plans and strategies and removes a significant amount of bureaucracy for local partners. It enables them to focus on making things better for the people of their area rather than on complying with a set of processes. In the most innovative areas, integrated planning is leading to integrated commissioning and delivery of services, especially for families with additional needs and deprived communities.
- 5.8** Our decision to create a new single body to manage and protect Wales' natural resources is a further example of our resolve to promote simplicity and reduce duplication in Welsh public services. The new body will bring together the functions previously undertaken by the Countryside Commission for Wales, the Environment Agency in Wales and the Forestry Commission for Wales. This will be more effective, achieve better environmental outcomes, and has the potential to create significant savings that could be reinvested, amounting to **£158m** over the first ten years of the new body's life.

Accountability and democracy

- 5.9** The Partnership Council of Ministers and Local Authority Leaders provides political accountability and has a key role in driving the progress of public service reform, including the implementation of the Compact for Change, nationally and regionally.
- 5.10** The Welsh Government believes that the role of local elected members is crucial both in championing the perspective of citizens and driving service improvement through effective scrutiny.
- 5.11** The Local Government (Wales) Measure 2011 strengthened the role of local scrutiny and ensures that members have the support and resources needed to undertake effective scrutiny. We continue to implement the Measure with a second tranche of regulations and guidance currently out for consultation and are working with the Centre for Public Scrutiny, the WLGA and others to develop a programme of support for scrutiny development.

The Public Service Leadership Group

- 5.12** Delivering effective change requires strong political and executive leadership across public services, nationally and locally. The Minister for Local Government and Communities chairs the Public Service Leadership Group which supports the Partnership Council in maintaining the momentum for change. This builds on earlier work to find new solutions to provide better services with less money.
- 5.13** This will include speeding up the pace of service reconfiguration and developing and adopting national solutions to shared public service challenges such as procurement, asset management and service effectiveness. There is strong evidence of major potential gains from working as one Welsh public service on

these issues, and the Partnership Council for Wales will work to ensure that these are realised as soon as possible.

- 5.14** We have put in place 3 programmes of work to lead and drive forward change. Each programme is chaired by a Chief Executive from the public service in Wales, with membership drawn from public service partners. These are making good progress and we will build on this base over the next year:

Asset Management and Procurement

- 5.15** This work programme aims to realise efficiencies and effectiveness from proactive, strategic estate management and to drive savings and wider value from more than £4bn spent annually on procuring goods and services in the public sector in Wales. All Local Authorities, NHS organisations, Police Forces, Fire and Rescue Services and Welsh Government Departments and Sponsored Bodies are now using the Electronic Property Information Service lite (ePIMS) bespoke database to assist better asset management of public sector property.
- 5.16** On procurement, the Welsh public sector has realised savings of almost **£200m** since 2006-07, from the use of all-Wales framework contracts facilitated by Value Wales and the adoption of xchangewales e-procurement tools. Through our 'leveraging our spend' strategy efficiencies have been made across all public services of **£45m** in the latest year.
- 5.17** The implementation of a National Procurement Service (NPS), a strategic vehicle for procuring common goods and services for Wales, is well underway. The NPS business case identifies potential annual savings of between **£9.2m** and **£24.6m**, from 2014-15, with the scope to take a more strategic approach to engagement with Welsh business. Creation of the NPS will also free up resource to tackle complex or high risk local procurements.

Organisational Development and Simpson Implementation

- 5.18** The Compact for Change on the recommendations of the Simpson Review has been agreed between Local Government and Welsh Ministers and is being delivered. The Compact formalises a partnership approach across a range of Local Authority service areas where we will work locally, nationally and regionally to improve service delivery, improve outcomes or make savings.
- 5.19** As part of this programme, the potential for working collaboratively and / or delivering shared services is being explored for a range of service areas. Where there is a good case for change, the Government expects partners to implement with pace in order to be able to protect and enhance services against the background of the challenging UK financial situation. Already, the 22 local authorities have worked through four regional education consortia to establish shared school improvement services. These shared services; based on support and challenge for schools and the harnessing of expertise in school improvement are now in place and represent a step change in service delivery.

- 5.20** Establishing education consortia will enable local authorities and schools to benefit from sharing knowledge, experience and best practice in raising standards of attainment and achievement of pupils. Each consortium is committed to deploying system leaders who will possess the knowledge, skills and experience to provide monitoring, challenge and support to schools to support the school improvement agenda.
- 5.21** Local authorities are also contributing to the development, in collaboration with other social care and social services stakeholders, of a national outcomes framework for social care and social services. This aims to deliver stronger voice and control for people who use services through more accessible and transparent information about services and organisations; better targeted policy development based on delivery of national outcomes; and better targeting of improvement resources both locally and nationally to ensure national outcomes and standards are consistently achieved.
- 5.22** Beyond the areas identified in the Compact for Change, the work of the Public Service Leadership Group focuses on identifying and driving implementation of existing good practice in Wales and elsewhere including the use of tested methodologies, such as LEAN and systems thinking to improve organisational efficiency.

Effective Services for Vulnerable Groups

- 5.23** The programme focuses on a number of priorities, identified by the wider public sector as having most impact. It seeks to help organisations to tackle shared challenges by identifying approaches that are working, understanding how they work and sharing that understanding with others who are facing the same challenges.
- 5.24** Two key areas of progress have been around improving the quality of services experienced by victims of domestic abuse, and finding a better way of responding to children and young people who repeatedly go missing.
- The 10,000 Safer Lives project has identified a set of ‘minimum standards’ and five key questions to save a life that frontline staff should take when working with victims of domestic abuse. The standards adopted aim to ensure a consistent and high quality service for all victims of domestic abuse and will help to reduce further instances of victimisation and potential escalation to high risk cases. Work is now underway to communicate these to public service organisations in Wales and encourage them to assess how they stand against the minimum standards and take action accordingly.
 - Public services in Gwent have looked at how they currently respond to children and young people who go missing and have produced a powerful case for change. They will be piloting a new multi-agency hub which will gather and act on information about any children who go missing to help ensure they are less at risk, understand risk and run away less often (whatever their history and whether they live at home or are looked after). Alongside this there is a proposal for a new service, addressing a gap that

exists in engaging with children that go missing on their return. If the pilot in Gwent is successful the new approach could be applied to other parts of Wales and to other vulnerable groups.

Measuring progress

- 5.25** A measurement framework to help demonstrate and report the progress being made on the reform of public services has been developed with the advice of the Wales Audit Office and other independent experts and approved by the Public Service Leadership Group. This will continue to be enhanced and populated with information and will be a key reporting tool for the Public Service Leadership Group to use to monitor progress.
- 5.26** The essence of the Framework is that it contains a balanced approach covering financial indicators, non-financial indicators and qualitative information in order to get a rounded picture of progress rather than a narrow focus on a small number of measures with the risk of this adversely affecting behaviours and practices. The Framework therefore gathers together all the key information on the progress on the reform of public services.

Supporting innovation and good practice

- 5.27** The need to realise efficiencies within existing budgets, secure improved services and achieve better outcomes remains paramount. There are many examples of this already being done across the public service in Wales and it is important to both capture and share good practice so that we all learn from one another. The Welsh Government is supporting the spread of good practice initiatives through its Invest-to-Save Fund by investing in improvement projects that will result in significant cash-releasing efficiency savings whilst ensuring effective citizen-centred services.
- 5.28** Investments have already helped improvements in collaborative procurement, asset management, corporate shared services and initiatives relating to more efficient and effective approaches to service delivery. Through Invest-to-Save we have invested £65m of repayable funding in 59 public service improvement projects. Supported projects are forecasting total annual savings of some **£97m** within 5-years of commencing, with further recurrent savings thereafter. Actual repayment of investments is already underway with £8m being repaid and re-invested last year, over £9m being repaid and re-invested this year and a further £16m is forecast to be repaid in 2013-14.
- 5.29** Short case studies of twelve Invest-to-Save backed projects have previously been published and a further set is being published in a separate document entitled **Investing-to-Save III** alongside the Draft Budget. The Fund is continuing to invest in projects that support key aspects of the Welsh Government's Programme for Government - specifically, the public service efficiency and wider improvement agenda.
- 5.30** To date we have put in place over 25 projects under a European Structural Funding (ESF) Local Service Board project and more will be commenced in the

next year. These are aimed at improving public services through collaboration, capacity building and supporting more efficient service delivery. The projects are wide-ranging and include new models of working with families in Bridgend, Swansea and Neath Port Talbot that aim to wrap services around the whole needs of the family rather than via individual service strands.

- 5.31** As well as local evaluation of each project, national evaluation across all projects will assess how the new approaches have resulted in better service delivery, reduced duplication and reduced future demands and how they might be developed into models that can be applied more widely.

6. Equality

- 6.1** The Welsh Government is committed to embedding equality into its policy making and budget considerations. We were the first UK Government to assess the impact of our budget as part of the Draft Budget 2011-12 and we published a comprehensive analysis of the impact of our spending decisions. We developed this approach further as part of the Draft and Final Budget 2012-13 and provided additional information on the changes we had made against indicative spending plans.
- 6.2** We were also the first UK Government to legislate to create specific duties under the Equality Act 2010. Our Strategic Equality Plan sets out the Welsh specific duties which are designed to ensure that public services and employment are fair and accessible to individuals with protected characteristics as defined in the Equality Act 2010.
- 6.3** The Equality Act 2010 extended the characteristics protected in law from disability, gender and race to include also age, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief and sexual orientation. This means that public bodies must consider the needs of these groups within their work. We take this commitment seriously and are the only UK Government to have a statutory obligation to carry out Equality Impact Assessments on all our policies, processes and practices, including our Budget.
- 6.4** The work we have done so far has formed part of our legal obligations to demonstrate that we are considering the potential impacts of our spending plans on equality. We have also worked hard in successive years to provide a thorough account of our approach to Equality Impact Assessment.
- 6.5** For the Draft Budget 2013-14, we are once again ensuring that equality is not only considered but is central to the budget process. In support of the Tackling Poverty Action Plan we have also taken the decision to consider the impact on different socio-economic groups as part of our Equality Impact Assessment.
- 6.6** We will shortly publish the Equality Impact Assessment of spending plans for 2013-14. This will include an analysis of the equality implications of our budgetary decisions and sets out the work we have undertaken to review our budgets where we have made changes against indicative spending plans.
- 6.7** In considering additional capital allocations to support the priorities set out in the Wales Infrastructure Investment Plan we were mindful of the need to consider the equality impacts of our decisions. We ensured that equality expertise was included within the decision-making process on capital allocations and will continue to do so.
- 6.8** We have also undertaken a reflective piece of work to understand the distributional impacts of our previous budgetary decisions. This includes looking at the decisions we took in 2011-12 to protect schools, skills, secondary and community healthcare and universal benefits.

6.9 We recognise that this area of work is constantly evolving and we want to build on the approach we have taken to date to ensure that the evidence supporting our considerations is robust and that the assessments we have made, add value to the budgeting process.

Impact of Welfare Reform

6.10 Alongside the equality consideration we have given to our spending plans, we have also taken account of decisions made by the UK Government which have a significant impact on people in Wales. In this context, we are particularly concerned about the impact of the UK Government's welfare reform proposals.

6.11 Our Ministerial Task and Finish Group for Welfare Reform is currently undertaking a comprehensive assessment of the cumulative affects of these benefit changes. The results of this assessment will be used to target our efforts to help mitigate the negative implications of Welfare Reform.

6.12 The UK Government is abolishing both Council Tax Benefit and the discretionary Social Fund on 31 March 2013 and localising support as part of its wider reforms of the benefits system. We are currently in discussions with the UK Government to agree the basis and amount of funding that the UK Government will transfer to Wales so that this support can continue to be provided in Wales. However, we already know that the budget transferred will be at least 10 percent less than the current level of provision for Council Tax Benefit and that the funding for the social fund will be reduced to 2005 levels. Earlier this year we announced our intention to procure a third party to operate our replacement for the Social Fund in Wales and will make further announcements on this shortly. In the meantime, we are working very closely with key partners in local government to make the best use of the knowledge and expertise that exists in Wales to develop a viable and affordable scheme. We have serious concerns about the impact these changes will have in Wales - particularly on those with the lowest incomes.

United Nations Convention on the Rights of the Child (UNCRC)

6.13 Following the introduction of the Rights of Children and Young Persons (Wales) Measure 2011, there is now a statutory duty on all Welsh Ministers to have due regard to the rights and obligations within the UNCRC when developing or reviewing policy or legislation. This means that Ministers must consider the rights of children and young people in all decisions they make about new legislation, policies and changes to existing policies. As a result, the convention underpins Welsh Government work, including the development of our spending plans.

6.14 As part of the work we have done this year to assess our budget proposals in line with the Equality Act 2010, we have worked to ensure that these obligations have been met in the development of our spending plans through the use of equality impact assessments. In line with the Equality Act 2010, we have assessed the impact of our budgetary decisions on various age groups,

including children and young people. The detail of this work will be set out in the Equality Impact Assessment which will be published shortly.

- 6.15** We are committed to meeting our obligations under the UNCRC and as set out in the Programme for Government are aiming to **improve the transparency of budgeting for children and young people at Welsh Government level.**
- 6.16** In order to meet this commitment we have developed a toolkit to improve the financial capability of young people aged 11–19 to enable them to gain better control of their personal finances. We are also keen to ensure that children and young people are able to participate in the budget process and have developed a toolkit which provides an opportunity for local authorities and their partners to involve young people in making decisions about how to spend local budgets that affect them. Building on this approach, we are also providing a leaflet alongside the Draft Budget which provides information on our spending plans for 2013-14 in an accessible format for children and young people.

7. Sustainable Development

7.1 Sustainable Development lies at the heart of our Programme for Government. It confirms our aim to ensure that all our policies and programmes will reflect our commitment to sustainability and fairness so that we make sustainable development our central organising principle. Our goal is to ensure that the long term development path for Wales will improve the economic, social and environmental wellbeing and enhance people's quality of life in Wales for generations to come.

Sustainable Development in Wales²

Enhancing the economic, social and environmental wellbeing of people and communities, achieving a better quality of life for our own and future generations:

- In ways which promote social justice and equality of opportunity; and
- In ways which enhance the natural and cultural environment and respect its limits - using only our fair share of the Earth's resources and sustaining our cultural legacy.

Sustainable Development is the process by which we reach the goal of sustainability.

7.2 Since devolution, we have made progress on sustainable development but we can go further. Our Legislative Programme will play an important part in creating the conditions for sustainable development in Wales. We are bringing forward legislation to embed sustainable development as the central organising principle in all actions across the Welsh Government and in all devolved public bodies.

7.3 In developing our policies and programmes we have put in place a range of tools to ensure that we embed sustainable development in our processes and decision making. We will work to maximise benefits to people in Wales through everything we do, using tools to deliver results, value people and achieve excellence.

7.4 As reflected in our spending plans, when faced with hard choices we choose the option that works best for the long term, such as investing in better early education and support for families now to prevent social hardship later, helping Welsh citizens and businesses to use energy more efficiently to prepare for future price rises, and recognising that supporting the health and welfare of people in Wales means we need to focus on housing and social services as well as the NHS.

² Welsh Government definition of sustainable development, as set out in *One Wales: One Planet, The Sustainable Development Scheme of the Welsh Assembly Government*, May 2009

7.5 We also need to ensure that decisions are financially sustainable so that our decisions and commitments can be honoured in the longer term – this is critical to sustainable development. The Draft Budget 2013-14, is aligned to deliver our Programme for Government. It sets out the spending plans that underpin our action to deliver our vision for a sustainable Wales.

7.6 The Departmental chapters set out in detail the budget priorities for the period 2013-14 to deliver the Programme for Government, which reflects our commitment to sustainable development. The following examples show how Departments have balanced the contribution their work will make to economic, social and environmental wellbeing in Wales in ways that are right for the future as well as the present:

- Tackling Poverty – a long term integrated approach to tackling deep seated inter-generational issues. Key actions to help deliver this include the Tackling Poverty Action Plan, the youth offending strategy; fire service framework, the ‘Five for a Fairer Future’ commitment to fund 500 Community Support Officers, the Flying Start programme Families First Grant, the Youth Engagement and Employment Action Plan and the Pupil Deprivation Grant
- Setting high standards – delivering high sustainable building standards (BREEAM Excellent) such as the St Fagan’s Redevelopment which also promotes public understanding of sustainable development through its exhibitions, activities and research.
- Increasing energy efficiency - Arbed and NEST, our domestic energy efficiency schemes, are investing in improvements to the performance of our housing stock in Wales helping to tackle fuel poverty; both of these schemes help to create new local jobs and business opportunities and allow delivery against the need to tackle climate change. A key criteria of the 21st Century schools programme is energy efficiency and sustainability of education buildings.
- Supporting long-term growth and jobs in key areas – through Enterprise Zones and local growth zones, delivering economic growth that best fit with local needs.
- Helping to start and grow a business – through our Business Entrepreneurship Champions, the Business Start Up Service, the Youth Entrepreneurship Strategy, our Skills Growth Wales programme and our Regional Centre Service located across Wales.
- Promoting understanding of sustainable development – through support for projects and initiatives relating to promotion and innovation on sustainable development, including Cynnal Cymru, the SD Framework, the SD Challenge Fund and the Sustainable Living Grant Scheme.
- Investing in a low carbon transport network – prioritisation of the National Transport Plan (NTP) to ensure that transport funding is used effectively. Continued investment in the maintenance and enhancement of Wales’ road, rail and active travel infrastructure and in bus and rail services.

- Celebrating culture – continued support for free entry to the seven sites operated by Amgueddfa Cymru – National Museum Wales. Continued development of the future of the Welsh Language through the Welsh Language Strategy A living language: a Language for Living.
- Healthy living – in recognising the huge benefits that sport and physical activity can bring on a range of different levels we are committed to retaining our free swimming commitment, and funding for Sport Wales.
- Improving our estate – building on our success in achieving Green Dragon Level 5, we continue our support for the Green Dragon Environmental Management System, and are developing a Carbon Management Strategy to meet our carbon reduction targets and a Carbon Investment Scheme.

8. Welsh Government Budget Proposals for 2013-14

Wales DEL Budget

8.1 Devolved expenditure in Wales for 2013-14 comprises the Wales Departmental Expenditure Limit (DEL) of just over £15bn and Annually Managed Expenditure (AME) of £277m.

8.2 Table 8.1 shows the components of the Wales DEL budget which includes the Welsh Government's DEL budget and indicative budgets for the Assembly Commission, the Auditor General for Wales and the Public Services Ombudsman for Wales. It also shows the Resource Reserves and Capital Reserves. The Wales DEL also includes Direct Charges to the Wales Consolidated Fund.

Table 8.1 – Allocation of the Wales DEL Budget

Wales DEL Budget	£000s		
	2012-13	2013-14	2014-15
Health, Social Services and Children	6,343,240	6,335,296	6,339,090
Local Government and Communities	5,095,639	5,151,836	5,204,677
Business, Enterprise, Technology and Science	275,226	274,369	272,998
Education and Skills	1,854,822	1,850,933	1,835,468
Environment and Sustainable Development	340,522	326,766	328,123
Housing, Regeneration and Heritage	592,648	556,486	550,037
Central Services and Administration	362,883	348,609	351,105
Total Allocated to Welsh Government Departments	14,864,980	14,844,295	14,881,498
Resource Reserves			
Fiscal Resource	81,905	142,428	133,403
Non-Fiscal Resource	68,137	70,777	91,552
Capital Reserves	5,422	18,923	78,501
Assembly Commission	47,227	49,450	50,598
Auditor General for Wales	4,740	4,740	4,740
Public Services Ombudsman for Wales	4,034	4,103	4,093
Direct Charges to the Wales Consolidated Fund	642	642	642
Total Expenditure within the Wales DEL Budget	15,077,087	15,135,358	15,245,027

8.3 The largest element of the Wales DEL is the funding allocated to Welsh Government Departments, which in the Draft Budget for 2013-14 comprises £13.7bn of Resource and £1.1bn of Capital. Departmental allocations are set out below (see Tables 8.2, 8.3 and 8.4).

Table 8.2 – Allocation of the Welsh Government’s Fiscal Resource DEL Budgets

MAIN EXPENDITURE GROUPS (MEGs):		£000s								
Fiscal Resource DEL Budgets	2012-13 Baseline	2013-14 Indicative Plans (Final Budget November 2011)	2013-14 Changes	2013-14 New Plans Draft Budget	2014-15 Indicative Plans (Final Budget November 2011)	2014-15 Changes	2014-15 Plans Draft Budget	2014-15 Indicative Plans Draft Budget		
Health, Social Services and Children	5,911,527	5,909,280	12,466	5,921,746	5,909,668	15,872	5,925,540	5,925,540		
Local Government and Communities	4,717,190	4,788,739	1,480	4,790,219	4,811,880	5,480	4,817,360	4,817,360		
Business, Enterprise, Technology and Science	175,319	182,877	-2,129	180,748	182,877	-800	182,077	182,077		
Education and Skills	1,579,098	1,590,793	-21,025 ³	1,569,768	1,595,528	-20,825	1,574,703	1,574,703		
Environment and Sustainable Development	262,055	262,657	-1,300	261,357	266,103	-3,345	262,758	262,758		
Housing, Regeneration and Heritage	274,653	275,920	1,825	277,745	275,966	1,830	277,796	277,796		
Central Services and Administration	318,419	290,899	16,397	307,296	290,899	18,893	309,792	309,792		
Total Welsh Government Departments	13,238,261	13,301,165	7,714	13,308,879	13,332,921	17,105	13,350,026	13,350,026		

³ The reduction to the Education and Skills resource budget is in respect of a recurrent transfer to the Revenue Support Grant to support the Free School Breakfast Initiative, Appetite for Life and School Counselling and reflects further streamlining of our grant schemes.

Table 8.3 – Allocation of the Welsh Government’s Non-Fiscal Resource DEL Budgets

MAIN EXPENDITURE GROUPS (MEGs):									
£000s									
Non-Fiscal Resource DEL Budgets	2012-13 Baseline	2013-14 Indicative Plans Final Budget November 2011	2013-14 Changes	2013-14 New Plans Draft Budget	2014-15 Indicative Plans Final Budget November 2011	2014-15 Changes	2014-15 Indicative Plans Draft Budget	2014-15 Changes	2014-15 Indicative Plans Draft Budget
Health, Social Services and Children	170,000	170,000	0	170,000	170,000	0	170,000	0	170,000
Local Government and Communities	109,098	109,098	0	109,098	109,098	0	109,098	0	109,098
Business, Enterprise, Technology and Science	1,551	1,551	0	1,551	1,551	0	1,551	0	1,551
Education and Skills	97,431	104,031	0	104,031	106,931	0	106,931	0	106,931
Environment and Sustainable Development	3,098	3,098	0	3,098	3,098	0	3,098	0	3,098
Housing, Regeneration and Heritage	3,677	3,677	0	3,677	3,677	0	3,677	0	3,677
Central Services and Administration	16,000	16,000	0	16,000	16,000	0	16,000	0	16,000
Total Welsh Government Departments	400,855	407,455	0	407,455	410,355	0	410,355	0	410,355

Table 8.4 – Allocation of the Welsh Government’s Capital DEL Budgets

MAIN EXPENDITURE GROUPS (MEGs):									
£000s									
Capital DEL Budgets	2012-13 Baseline	2013-14 Indicative Plans Final Budget November 2011	2013-14 Changes	2013-14 New Plans Draft Budget	2014-15 Indicative Plans Final Budget November 2011	2014-15 Changes	2014-15 Indicative Plans Draft Budget	2014-15 Changes	2014-15 Indicative Plans Draft Budget
Health, Social Services and Children	261,713	214,478	29,072	243,550	214,478	29,072	243,550		243,550
Local Government and Communities	269,351	233,291	19,228	252,519	233,291	44,928	278,219		278,219
Business, Enterprise, Technology and Science	98,356	79,370	12,700	92,070	79,370	10,000	89,370		89,370
Education and Skills	178,293	143,834	33,300	177,134	143,834	10,000	153,834		153,834
Environment and Sustainable Development	75,369	54,238	8,073	62,311	54,238	8,029	62,267		62,267
Housing, Regeneration and Heritage	314,318	262,564	12,500	275,064	262,564	6,000	268,564		268,564
Central Services and Administration	28,464	25,313	0	25,313	25,313	0	25,313		25,313
Total Welsh Government Departments	1,225,864	1,013,088	114,873	1,127,961	1,013,088	108,029	1,121,117		1,121,117

Reserves

8.4 In this Draft Budget, our Fiscal Resource Reserves for 2013-14 are set at 1.1 percent of the Fiscal Resource DEL.. Our Capital Reserves for 2013-14 are set at 1.6 percent of the Capital DEL.

8.5 We are satisfied that the level of Reserves going forward is adequate to manage risks and give us sufficient flexibility to respond to unforeseen events.

Annually Managed Expenditure

8.6 Table 8.5 shows forecast levels of the Welsh Government's Annually Managed Expenditure (AME) budgets. AME is defined as expenditure which cannot reasonably be subject to firm, multi-year limits in the same way as DEL. AME typically consists of programmes which are large, volatile and demand-led. For a full definition see Annex E – the Glossary.

Table 8.5 – Welsh Government AME Budget

MAIN EXPENDITURE GROUPS (MEGs):	£000s			
	2013-14		2014-15	
	Resource	Capital	Resource	Capital
Health, Social Services and Children	94,574	0	213,428	0
Local Government and Communities	52,406	0	53,434	0
Business, Enterprise, Technology and Science	20,000	0	20,000	0
Education and Skills	-87,261	264,130	-102,553	285,702
Environment and Sustainable Development	0	0	0	0
Housing, Regeneration and Heritage	-68,260	0	-68,260	0
Central Services and Administration	1,634	0	2,152	0
Total Welsh Government AME Budget	13,093	264,130	118,201	285,702

9. Health, Social Services and Children

Summary of Budget Changes

- 9.1** Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Health, Social Services and Children has increased by £41.5m in 2013-14 and £44.9m in 2014-15.
- 9.2** This includes a net increase to the resource budget of £12.5m in 2013-14 and £15.9m in 2014-15, comprising:
- A recurrent transfer in of £27.5m from the Local Government and Communities MEG in respect of Substance Misuse;
 - £0.7m to the Local Government and Communities MEG to comply with primary legislation with regards Deprivation of Liberty Safeguard assessments;
 - £12.2m to the Central Services and Administration MEG in respect of:
 - £2m for the Mental Health Review Tribunal; and
 - £10.2m (£6.6m in 2014-15) for the repayment of Invest-to-Save projects by the NHS; and
 - £2.1m (£2.3m in 2014-15) to the Education and Skills MEG to cover payments to Cardiff University to support medical and dental training.
- 9.3** There is a net increase to the capital budget of £29m in 2013-14 and £29m in 2014-15, including:
- £19m additional capital funding to support delivery of the Wales Infrastructure Investment Plan for Growth and Jobs, comprising
 - £5m in respect of Health Vision Swansea – redevelopment of Morriston Hospital (main Build) (£13m in 2014-15);
 - £9m in respect of Flying Start (£4m in 2014-15); and
 - £3m for the University Hospital Llandough Mental Health Adult Acute Unit (£7m in 2014-15) and £2m for reshaping the Mental Health Services at Glanrhyd Hospital in Bridgend;
 - A recurrent transfer in of £5.1m from the Local Government and Communities MEG in respect of Substance Misuse;
 - £2m from Centrally Retained Capital Fund in 2013-14 to support the redevelopment of Cardiff Royal Infirmary; and
 - A further £3m in 2013-14 from the Centrally Retained Capital Fund in respect of Flying Start.;
- 9.4** There is a net increase in the AME budget of £14.1m in 2013-14 and £14m in 2014-15. The increase is in respect of an anticipated increase in the cost of provisions for the Welsh Risk Pool clinical negligence claims. Recent trends indicate an increase in the value of claims due to a range of inflationary and legal damages awards factors

Overview of Portfolio

- 9.5** The Health, Social Services and Children portfolio is responsible for improving and protecting health, directing the work of the NHS, overseeing social care,

tackling substance misuse, managing certain children's programmes and supporting CAFCASS Cymru.

- 9.6** Our key strategic aims for health are the prevention of poor health and reduction in health inequalities, improving health outcomes by ensuring the quality and safety of services is enhanced and improving access and patient experience. Our strategic aims for social services and children are to provide users and carers with a stronger voice and greater control over the services they receive, to ensure people receive the help they need to live fulfilled lives, and improving early years' experience.
- 9.7** A number of our programmes also contribute to the wider Government aims of making our communities safer through reductions in anti-social behaviour, crime and substance misuse, and to reducing poverty.

Budget Priorities

- 9.8** Health, Social Services and Children has a leading role to play in delivering the Welsh Government's Programme for Government aims for 21st Century Healthcare and Supporting People, and to providing substantive support to its aims for Education and Tackling Poverty. Our programmes are mainly delivered through NHS Wales and Local Government, but also with support from the Voluntary Sector.

21st Century Healthcare

- 9.9** Despite the challenges of responding to an ageing population, increases in lifestyle-related disease and recruitment pressures, the NHS continues to deliver improvements in the quality of care provided to the Welsh population. Excluding orthopaedics, 95 percent of patients waited less than 26 weeks from referral to treatment by the end of March 2012. The additional £21.5m investment we made in orthopaedics services in 2011-12, part of the £65m package announced in March 2011, enabled the number of patients waiting over 36 weeks for treatment to be reduced to 356 by March 2012 from a peak of nearly 6,000 in June 2011. From 2013-14, we will be investing £16.6m recurrently each year to sustain improvements in orthopaedic waiting times.
- 9.10** Through better provision of care closer to home for patients with chronic conditions, the NHS has delivered significant reductions in emergency admissions to hospital, down by nearly 15 percent for diabetes and 9 percent for heart disease. 98 percent of patients referred as non-urgent suspect cancer are seen within 31 days. Progress has also been made during 2011-12 in stroke care, with all seven health boards now providing access to thrombolysis 24 hours a day, seven days a week.
- 9.11** In the Budget 2012-13, we provided additional funding of £288m to the NHS for the financial years from 2012-13 to 2014-5 which included £48.5m as part of the £65m package announced for orthopaedic services. Of the £288m, £239m was to place the NHS on a more sustainable financial footing so that it can continue **to improve health outcomes and deliver improvements in access to**

services and patient experience. This built on the additional £103m which was allocated to the NHS in 2011-12 and which now forms part of the recurrent NHS settlement.

- 9.12** The additional £239m also included transitional financial support to Hywel Dda Health Board, as part of a £80m tapered funding package, including £30m in 2011-12, £20m in 2012-13, £20m in 2013-14 and £10m in 2014-15. We will keep the NHS settlement under review, particularly as services are reconfigured to ensure they remain safe and can sustain the challenges of increasing and changing demand for healthcare in the future.
- 9.13 Improving access to GP services for working people** is one of the **Five for a Fairer Future** pledges made by the Welsh Government. This pledge will be delivered within an ongoing investment of £450m in General Medical Services through the Delivery of Core NHS Service Action. During 2012-13 there has been a focus on reducing half day and lunchtime closing and the redistribution of appointments within contracted hours between 8.00am and 6.30pm.
- 9.14** From 2013-14, the focus will be on ensuring the increased availability of later evening appointments after 6.30pm and early morning appointments before 8.00am to meet the needs of patients. The additional cost of enhanced access will be funded within existing resources by realigning existing expenditure on enhanced services. Further work has been commissioned to develop an innovative model for access to GP services at the weekend, with access to planned appointments on the weekend expected to commence during 2014-15.
- 9.15** A Mental Health Strategy, **Together for Mental Health**, will be launched in the autumn embedding the Mental Health Wales Measure, which will be fully commenced later in the month. The Welsh Government has increased funding by £5.5m each year to support the implementation of the Measure, which will be formally evaluated after four years.
- 9.16** The Welsh Government, in partnership with the NHS, is taking action to **prevent poor health and reduce health inequalities**. Circulatory disease mortality rates have fallen substantially. Cancer mortality rates are also declining and **Together Against Cancer - A Delivery Plan for the NHS** sets out our actions to further reduce these.
- 9.17** Through the **Change4Life Wales** campaign we are encouraging and supporting around 40,000 families and adults to make small, incremental changes to their lifestyles to reduce the risk of suffering from the health effects of obesity and to tackle excessive alcohol use.
- 9.18** The **Fresh Start Wales** campaign launched in February 2012 aims to raise awareness of the danger to children of smoking in cars by bringing home to parents and others the risk their smoking poses to the health of children, and through **Healthy Working Wales**, delivered by Public Health Wales, we are supporting employers to maintain and improve the health and well-being of their employees through the workplace.

9.19 The **NHS Capital Programme** is supporting the delivery of 21st Century Healthcare through improving health outcomes by ensuring the quality and safety of services is enhanced; improving access and patient experience; and preventing poor health and reducing health inequalities. Examples include funding for improved dental facilities, ambulance vehicles and primary care resource centres, as well as new community hospitals and wellbeing centres.

9.20 Delivering more efficient and economical public services, in particular supporting our vision for the NHS in Wales, is one of the seven high level investment priorities we set out in the Wales Infrastructure Investment Plan for Growth and Jobs. In this Draft Budget, we are allocating £43m of additional capital investment over the two years in support of this investment priority. This funding includes:

- £18m for HealthVision Swansea. The additional investment will enable acceleration of the revised Phase 1B scheme of the Health Vision Swansea Programme as part of the larger redevelopment of Morriston Hospital Swansea. £5m has been allocated for 2013-14 and £13m for 2014-15; and
- £10m for the University Hospital Llandough Adult Acute Mental Health Unit and £2m for Reshaping Mental Health Services at Glanrhyd Hospital in Bridgend. Additional capital – £5m in 2013-14 and £7m in 2014-15 – will support the earlier delivery of improved facilities and mental health services in South Wales.
- £13m for Flying Start, including an extra £9m for 2013-14 and £4m for 2014-15. This new investment, building on the extra £3m already allocated from the Centrally Retained Capital Fund in both 2012-13 and 2013-14 and bringing the total additional capital investment in this programme to £19m, will enable the delivery of additional childcare facilities across Wales.

Supporting People

9.21 The Health, Social Services and Children's portfolio is leading on the **Five for a Fairer Future** commitment to double the number of children benefiting from **Flying Start** and the Welsh Government has allocated an additional £55m revenue funding from 2012-13 to 2014-15 to deliver this commitment. During the lifetime of this Government 36,000 children, almost a quarter of all children in Wales under the age of 4, will be able to benefit from this package of support. Together with the additional capital, we will have invested over £74m in Flying Start by 2014-15.

9.22 Three year strategic plans, based on new strategic guidance published in April requiring Flying Start partnerships to place particular emphasis on working with hard to reach groups, have now been submitted by local authorities. The expansion of the Programme will focus on concentrations of families with 0-3 year olds living in Income Benefit households across Wales. An element of outreach work has also been introduced so that more of those families that are most in need of Flying Start services can access them.

9.23 The Adult Social Care budget is helping to build sustainable, safe and effective people-centred services that build on people's strengths and promote their well-being. We will continue to invest £33m in the **Learning Disability resettlement Grant** to support citizens to live in their communities, whilst the cross-Governmental support for new approaches to reablement and independent living is working towards reducing delayed transfers of care. The continued targeted support for voluntary sector groups is ensuring that citizens have a greater voice and control over the services they receive.

Safer Communities for All

9.24 The Health, Social Services and Children's portfolio now contributes to this commitment through the **Substance Misuse Action Fund**. We will continue to invest £32.6m in this fund in 2013-14 and related programmes to prevent substance misuse and support substance misusers, their carers and their families.

Tackling Poverty

9.25 Our commitment to reducing poverty through improving the health and educational outcomes of children, young people and families is demonstrated through our increased investment in 2013-14 in the **Families First Grant** to over £44m each year. Through Families First we are supporting local authorities to develop new multi-agency approaches to supporting families living in poverty, with a clear emphasis on early intervention aimed at reducing the numbers of families developing more complex needs and requiring more intensive and costly interventions.

Legislative Programme

9.26 The Welsh Government's legislative programme comprises the following Bills which fall within the Health, Social Services and Children's portfolio:

- Food Hygiene Rating (Wales) Bill
- Human Transplantation (Wales) Bill
- Social Services (Wales) Bill
- Social Services Regulation and Inspection (Wales) Bill
- Cosmetic Piercing Bill

9.27 In addition there is a commitment to consult on the need for a Public Health Bill and take a decision on whether to introduce the legislation in the light of the consultation response. There is also a commitment to issue a White Paper on a Children and Young Persons Bill before the end of the current Assembly term

9.28 Funding to cover the cost to the Welsh Government of implementing the Food Hygiene Rating Bill is included within these spending plans. The costs of implementing other proposed legislation will be confirmed during the process of development and consultation on the legislative proposals, and budget provision will be made in future years' spending plans.

Delivery Partners

9.29 Our strategic aim to improve health outcomes, improve access to services and patient experience, and prevent poor health and reduce health inequalities are primarily delivered through the seven health boards and three NHS trusts that comprise NHS Wales. The NHS settlement for the years 2012-13 to 2014-15 was confirmed in the Final Budget 2012-13.

9.30 The Table below sets out indicative revenue allocations for each Local Health Board for 2013-14, which are funded from the £5.05bn 'Delivery of Core NHS Services' Action. Also included within this Action is £20.2m which funds central initiatives.

Indicative 2013-14 Health Board Revenue Allocations

	£m
Abertawe Bro Morgannwg University Health Board	£851.2m
Aneurin Bevan Health Board	£934.6m
Betsi Cadwaladr University Health Board	£1,149.6m
Cardiff and Vale University Health Board	£715m
Cwm Taf Health Board	£512.5m
Hywel Dda Health Board	£639.7m
Powys Health Board	£227.1m
Total	£5,029.7m

9.31 We also work with Local Authorities and the Voluntary Sector to deliver our strategic objectives for preventing poor health, improving access to services, ensuring people receive the help they need to live fulfilled lives, improving early years experiences and improving the health of children, young people and families living in poverty. For example, we will continue our investment of £7m in 2013-14 to support the **voluntary hospice sector**, and we will continue investing over £4m each year on the **Children's and Families Organisation Grant**. This funding is to build capacity within those eligible voluntary organisations that are supporting the Welsh Government's objectives of creating a more inclusive society with equality of opportunities for all children.

9.32 We aim to issue indicative grant funding levels to Local Authorities and the Voluntary Sector for 2013-14 in December 2012, to enable effective planning before the start of the new financial year.

Table 9.1 – Health, Social Services and Children Resource Allocations

	£000s							
	2012-13 ⁴		2013-14		2013-14		2014-15	
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	New Plans Draft Budget
Revenue DEL Budget								
NHS Delivery	5,505,426	5,507,030	-12,114	5,494,916	5,497,418	-7,983	5,489,435	5,489,435
Health Central Budgets	227,920	205,374	23,530	228,904	205,374	22,805	228,179	228,179
Public Health & Prevention	157,071	157,548	453	158,001	157,548	453	158,001	158,001
Social Services	181,475	200,161	-398	199,763	210,161	-398	209,763	209,763
CAFCASS Cymru	9,635	9,167	995	10,162	9,167	995	10,162	10,162
Total Revenue DEL	6,081,527	6,079,280	12,466	6,091,746	6,079,668	15,872	6,095,540	6,095,540
Revenue AME Budget								
NHS Impairments	201,710	80,514	14,060	94,574	199,392	14,036	213,428	213,428
Total Revenue AME	201,710	80,514	14,060	94,574	199,392	14,036	213,428	213,428
Total Managed Expenditure (TME)	6,283,237	6,159,794	26,526	6,186,320	6,279,060	29,908	6,308,968	6,308,968

⁴ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 9.2 – Health, Social Services and Children Capital Allocations

Capital DEL Budget	£000s							
	2012-13 ⁵		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
NHS Delivery	245,699	205,275	12,000	217,275	205,275	20,000	225,275	
Health Central Budgets	5,690	0	5,072	5,072	0	5,072	5,072	
Public Health & Prevention	5,039	4,492	0	4,492	4,492	0	4,492	
Social Services	5,285	4,711	12,000	16,711	4,711	4,000	8,711	
Total Capital DEL	261,713	214,478	29,072	243,550	214,478	29,072	243,550	
Capital AME Budget	0	0	0	0	0	0	0	
Total Capital AME	0	0	0	0	0	0	0	
Total Managed Expenditure (TME)	261,713	214,478	29,072	243,550	214,478	29,072	243,550	

^{5, 5} The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

10. Local Government and Communities

Summary of Budget Changes

- 10.1** Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Local Government and Communities has increased by £20.7m in 2013-14 and £50.4m in 2014-15.
- 10.2** This includes a net increase to the resource budget of £1.5m in 2013-14 and £5.5m in 2014-15, including:
- A recurrent transfer of £27.5m to the Health, Social Services and Children MEG in respect of Substance Misuse; and,
 - A net transfer into the Revenue Support Grant of £28.9m in 2013-14 and £32.9m in 2014-15, comprising;
 - £8m for the Local Government Borrowing Initiative from Central Reserves (£12m from 2014-15);
 - £21.8m from the Education and Skills MEG for the Free School Breakfast Initiative, Appetite for Life and School Counselling; and,
 - £0.7m from the Health, Social Services and Children MEG to comply with primary legislation with regards Deprivation of Liberty Safeguard assessments; and
 - A transfer out of £1.6m to the Central Services and Administration MEG for the Public Sector Mapping Agreement.
- 10.3** There is a net increase to the capital budget of £19.2m in 2013-14 and an increase of £44.9m in 2014-15, including:
- £15m additional capital funding to support delivery of the Wales Infrastructure Investment Plan for Growth and Jobs, comprising:
 - £10m for the Brynmawr to Tredegar section of the A465 Heads Of The Valley Dualling Programme (£30m in 2014-15); and
 - £5m for improvements to the A55 Conwy Tunnel (£20m in 2014-15).
 - £9.3m in 2013-14 from Centrally Retained Capital Fund to support infrastructure development and traffic data collection.
 - A recurrent transfer out of £5.1m to Health and Social Services MEG in respect of Substance Misuse.
- 10.4** Some reallocations within the Local Government and Communities MEG have been made as part of this budget to facilitate alignment our priorities, and the bringing together of budgets which focus on Local Government, improving public services and supporting communities. There is also a transfer of £0.4m from the Bus Support and Local Transport Action to the Funding Support for Local Government Action for the Blue Badge scheme costs which are being subsumed into the Revenue Support Grant.
- 10.5** There has been a restructure of the Transport revenue and capital budgets. A reconciliation of the new structure was provided as part of the June 2012 Supplementary Budget.

10.6 There is a net increase in the AME budgets of £26.7m 2013-14 and £0.2m in 2014-15. The increase is due to a revised actuarial assessment of the Fire Service Pensions and increased depreciation of the roads network due to changes in completion dates on a number of schemes.

Overview of Portfolio

10.7 Local Government and Communities contributes to a number of aims in the Programme for Government, in particular through our cross-cutting focus on strengthening public service delivery, on tackling poverty and promoting community safety, and on improving the transport infrastructure which enables access to employment and public services, and underpins the quality of life of people in Wales. We also make an important contribution to economic growth by enhancing Wales' transport connectivity and through the substantial investment that we make in transport infrastructure and services.

10.8 Our programmes support reforms to ensure effective, efficient and accessible public services that meet people's needs. We are tackling anti-social behaviour, crime (including the fear of crime) and working to reduce the incidence and impact of fires and other emergencies. We will seek to improve people's lives by working to reduce poverty, reduce the likelihood that people will become poor, and to help people and communities out of persistent poverty.

Budget Priorities

10.9 The work of the Local Government and Communities portfolio lies at the heart of the Welsh Government's Programme for Government. Our actions support the delivery of several key outcomes. Work was carried out in the last year to ensure that the budget was aligned to Departmental strategic objectives which encompass the commitments made in the Programme for Government and earlier this year we undertook a comprehensive review of budgets to ensure that our future plans are adequately funded.

Safer Communities for All

10.10 We are on course to deliver one of the **Five for a Fairer Future** pledges made by the Welsh Government with a budget of £16.8m available in 2013-14 for an additional **500 Community Support Officers (CSOs)** in Wales. These officers will be highly visible in their communities, engaging with people, providing reassurance and tackling anti-social behaviour. They will play a pivotal role not only in making our communities safer, but in making them feel safer. The Police Forces' recruitment plans indicate that through the recruitment of some part time officers, they will deliver an additional 45 CSOs. This means that 545 CSOs will be in place as a result of this pledge by September 2013.

10.11 As part of the Programme for Government, we will continue to support actions which contribute to making our communities safer for all with £16.7m of revenue and £2.6m of capital funding in 2013-14. Our funding through the **Right to be Safe** Strategy and the **10,000 Safer Lives** project demonstrates our commitment to improve and join up multi agency services to help victims of

domestic abuse and violence against women and reduce incidents and numbers of repeat victims. We will continue to fund Community Safety Partnerships in Wales on a range of interventions and projects aimed at diverting young people away from crime and anti-social behaviour. Finally, our **Fire and Rescue National Framework** sets out the key strategic direction for Fire and Rescue Authorities in future years.

Tackling Poverty

- 10.12** Our Commitment to social justice and equality of opportunity makes it essential in the current climate that we continue to drive forward **tackling poverty** by prioritising the needs of the poorest and protecting those most at risk of poverty and exclusion. As part of this, the Government will continue to support our most deprived areas through the next phase of the **Communities First Programme** with a budget of £40.3m in 2013-14. Since April 2012, Communities First has been re-focussed to underpin the Welsh Government's **tackling poverty** agenda – by supporting the most disadvantaged people in our most deprived areas with the aim of alleviating persistent poverty. Communities First is working alongside other programmes to narrow the education, skills, economic and health gaps between the most deprived and more affluent areas of Wales, and to help individuals into employment. Grant funding for the programme will be allocated to Communities First Clusters and a Communities First Outcomes Framework will provide the structure for evidencing achievements using a “results based accountability” approach. Support is ongoing with communities to implement the new process and develop focused local delivery plans with clear performance measures – demonstrating the contribution of the programme to the wider tackling poverty agenda.
- 10.13** Other key initiatives include the **Financial Inclusion Strategy** with funding of £3.2m in 2013-14 which will support services to those who are financially excluded across Wales and the continuation and expansion of Credit Unions which provide services to those excluded from mainstream providers. We have also initiated a review of advice services, which is particularly important given the impact of the UK Government's welfare reform programme on our most vulnerable people. We will also be putting in place arrangements to replace Council Tax Benefit and the Social Fund which will involve a transfer of additional resources to the Welsh Government. We will utilise the full balance of that money to support our own schemes from April 2014.

Public Services in Wales

- 10.14** The Government will support action to improve the delivery of **effective and efficient public services** that meet the needs of people in Wales by strengthening local democracy and continuing to ensure funding settlements for local government that support local delivery. Further details of the local authority settlement for 2013-14 will be provided when the Provisional Local Government Finance Report is published on 18 October. This will set the amount of Revenue Support Grant the Welsh Government proposes to distribute to county and county borough councils in 2013-14 and beyond, along with the basis of distribution.

- 10.15** There will be funding incentives for service improvement through our regime of **Outcome Agreements**, supported by the £31m Outcome Agreement Grant scheme. This grant allocates funding on the basis of performance against the targets set out in the Outcome Agreements.
- 10.16** Our new approach to planning and partnership arrangements means that public services partners will be able to work together much more effectively to identify and respond to the strategic needs of their local areas. This substantial simplification and reduction in bureaucracy means one plan instead of four - an overall reduction from 88 to 22 plans by April 2013.
- 10.17** The Government's common footprint for public services, builds on the Local Health Board and police boundaries. Standardising collaboration on common boundaries will enable and support joint working across local government, health and police services reducing complexity and providing a clear framework for collaborative working. This is particularly important with the move to implement the Simpson review and the other major reforms underway in education and social services.
- 10.18** Our simplification agenda is at the heart of creating the right environment for more efficient and effective government and public service delivery and we will continue to remove unnecessary bureaucracy wherever we can – our Byelaws Bill is an example where we can use legislation to reduce burdens on partners. Our Public Service Leadership Group will continue to drive forward reform and the refreshed Partnership Council will provide strong governance for collaborative action to maximise efficiency and effectiveness locally, regionally and nationally.

Growth and Sustainable Jobs

- 10.19** As part of our Programme for Government aim of growth and sustainable jobs, we are committed to developing a world-class transport system to provide safe, affordable and sustainable road, rail, and air transport for all with budgets of £434.4m revenue and £218.6m capital in 2013-14. We reviewed the **National Transport Plan (NTP)** in December 2011 to ensure that transport funding is used effectively and that investment decisions reflect the Government's overarching priorities.
- 10.20** Improving transport is one of the seven high level investment priorities we set out in the Wales Infrastructure Investment Plan for Growth and Jobs. In this Draft Budget, we are allocating £65m (£15m in 2013-14 and £50m in 2014-15) of additional capital investment in support of this investment priority. This funding comprises:
- £40m for the Brynmawr to Tredegar section of the A465 Heads Of The Valley Dualling Programme. This investment - £10m in 2013-14 and £30m in 2014-15 – will accelerate delivery of 7.8km of new and reconstructed dual carriageway as part of the wider Heads of the Valleys regeneration programme; and

- £25m for improvements to the A55 Conwy Tunnel. This additional capital will deliver an essential upgrade of the Conwy Tunnel to improve safety. £5m will be invested in 2013-14 and £20m in 2014-15.

- 10.21** In addition, we have secured significant investment for Wales between 2014 and 2019 which is the next railway investment period, with the electrification of the Valleys Lines and Cardiff to Swansea mainline, providing the basis for a network of integrated public transport provision across South Wales.
- 10.22** In West Wales we are upgrading the A477 from St Clears to Red Roses and in North Wales we have recently announced the preferred route for the A487 from Caernarfon to Bontnewydd and are supporting a programme of station upgrades with a major interchange at Llandudno already committed and others planned for upgrading to start next year.
- 10.23** We will continue to fund the redoubling of the rail line between Wrexham and Chester to enable further journey time improvements and the provision of additional capacity in the future. Other key actions being taken forward as part of the National Transport Plan such as the development of community transport schemes and improving the TrawsCymru Network of Long Distance Bus Services are important as part of improving public services for rural communities.

Legislative Programme

- 10.24** The Welsh Government's legislative programme comprises the following Bills which fall within the Local Government and Communities portfolio:
- Local Government Byelaws (Wales) Bill
 - Public Audit (Wales) Bill
 - Local Government Democracy (Wales) Bill
 - Active Travel (Wales) Bill
- 10.25** The **Local Government Byelaws (Wales) Bill** and the **Public Audit (Wales) Bill** were introduced in 2011-12. We will introduce the **Local Government Democracy (Wales) Bill** and the **Active Travel (Wales) Bill** in 2012-13.
- 10.26** Work is also in hand to publish a Green Paper on the **possibility of a Youth Offending Bill** this autumn and a White Paper for a **Bill to tackle violence against women and domestic violence** before the end of 2012.
- 10.27** The Active Travel (Wales) Bill will support our aim of making walking and cycling the most natural and normal way of getting about. It is aimed at improving a range of health and economic outcomes. We are reviewing our current grants for walking and cycling to align them with the delivery of the Bill, the costs of which will be met through existing active travel/ walking and cycling budgets. The Local Government Democracy (Wales) Bill will bring greater transparency around the local elections process and the activities of local representatives and make reforms to the structure and functions of the Local Government Boundary Commission for Wales. Estimated costs will be minimal and will be met from within current budgets.

Delivery Partners

- 10.28** The Government works closely with its key delivery partners to deliver the aims set out in the Programme for Government.
- 10.29** We work closely with local authorities and various partners to strengthen the delivery of efficient, effective and accessible public services. Public bodies we sponsor include the Local Government Boundary Commission Wales with funding of around £0.5m in 2013-14, and the Valuation Office Agency in Wales and the Valuation Tribunal for Wales with a total budget of £10m. We are responsible for funding a number of Inspectorates with budgets of £14.5m for Care and Social Services Inspectorate Wales, £2.6m for Health Inspectorate Wales and £12.4m for Estyn.
- 10.30** The current Third Sector Partnership Agreement, which will be subject to re-negotiation ahead of the financial year 2013-14, sets out the basis for Welsh Government funding for organisations such as the County Voluntary Councils (CVC's) and Volunteer Centres. Funding from the Third Sector budget totals £8.6m in 2013-14. Other grant schemes such as the Community Facilities and Activities Programme, which has a capital budget of just under £11m in 2013-14, will continue to provide funding to support community organisations.
- 10.31** Local Government and the Regional Transport Consortia are key partners for the delivery of transport services across Wales. Through the **Compact for Change**, we are working with local government partners to assess the case for change for further **collaboration in transport and highways services**. This work builds on existing collaboration and aims to deliver service improvements and / or efficiencies. The Welsh Government also works closely with the bus industry and rail industry, providing significant funding for services across Wales.

Table 10.1 – Local Government and Communities Resource Allocations

	£000s							
	2012-13 ⁶		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Revenue DEL Budget								
Local Government Funding	4,239,269	4,296,372	29,375	4,325,747	4,318,772	33,375	4,352,147	
Supporting Communities and People	53,963	52,064	0	52,064	52,064	0	52,064	
Safer Communities	16,551	44,176	-27,475	16,701	44,176	-27,475	16,701	
Improving Services, Collaboration and Democracy	41,896	40,979	0	40,979	40,979	0	40,979	
Care and Social Services Inspectorate	15,190	14,461	0	14,461	14,461	0	14,461	
Healthcare Inspectorate Wales	2,722	2,591	0	2,591	2,591	0	2,591	
Estyn	12,968	12,364	0	12,364	12,364	0	12,364	
Motorway & Trunk Road Network Operations	168,951	174,212	0	174,212	173,574	0	173,574	
Rail & Air Services	173,971	173,179	0	173,179	173,179	0	173,179	
Sustainable Travel	95,091	82,722	-420	82,302	84,105	-420	83,685	
Improve Road Safety	5,716	4,717	0	4,717	4,713	0	4,713	
Total Revenue DEL	4,826,288	4,897,837	1,480	4,899,317	4,920,978	5,480	4,926,458	
Revenue AME Budget								
Local Government Funding	20,717	20,717	3,771	24,488	18,288	6,200	24,488	
Motorway & Trunk Road Network Operations	30,668	4,973	22,945	27,918	34,952	-6,006	28,946	
Total Revenue AME	51,385	25,690	26,716	52,406	53,240	194	53,434	
Total Managed Expenditure (TME)	4,877,673	4,923,527	28,196	4,951,723	4,974,218	5,674	4,979,892	

⁶ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 10.2 – Local Government and Communities Capital Allocations

	£000s							
	2012-13 ⁷		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Capital DEL Budget								
Local Government Funding	20,000	20,000	0	20,000	20,000	0	20,000	20,000
Supporting Communities and People	14,774	10,950	0	10,950	10,950	0	10,950	10,950
Safer Communities	3,339	7,711	-5,072	2,639	7,711	-5,072	2,639	2,639
Estyn	315	281	0	281	281	0	281	281
Motorway & Trunk Road Network Operations	55,366	38,151	10,400	48,551	43,204	20,000	63,204	63,204
Road & Rail Investment	96,694	93,991	13,900	107,891	91,046	30,000	121,046	121,046
Sustainable Travel	43,826	41,640	0	41,640	39,532	0	39,532	39,532
Improve & Maintain Local Roads Infrastructure	28,137	13,667	0	13,667	13,667	0	13,667	13,667
Improve Road Safety	6,900	6,900	0	6,900	6,900	0	6,900	6,900
Total Capital DEL	269,351	233,291	19,228	252,519	233,291	44,928	278,219	278,219
Capital AME Budget	0	0	0	0	0	0	0	0
Total Capital AME	0	0	0	0	0	0	0	0
Total Managed Expenditure (TME)	269,351	233,291	19,228	252,519	233,291	44,928	278,219	278,219

⁷ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

11. Business, Enterprise, Technology and Science

Summary of Budget Changes

- 11.1** Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Business, Enterprise, Technology and Science (BETS) has increased by £10.6m in 2013-14 and £9.2m in 2014-15.
- 11.2** This includes a net decrease to the resource budget of £2.1m in 2013-14 and £0.8m in 2014-15, which comprises the following transfers:
- a transfer in of £0.8m in 2013-14 and £0.6m in 2014-15 from DEFRA in respect of the Animal Movement Licensing System; and
 - a transfer out of £2.9m in 2013-14 and £1.4m in 2014-15 to the Central Services and Administration MEG in respect of repayments to the Invest-to-Save Programme.
- 11.3** There is an increase to the capital budget of £12.7m in 2013-14 and £10m in 2014-15. This includes the following funding received from the Centrally Retained Capital Fund:
- £10m in 2013-14 for Next Generation Broadband Wales; and
 - £2.7m in 2013-14 for On-Line Rural Services.
- 11.4** The Welsh Government has also made a number of additional capital allocations to support delivery of the priorities in the Wales Infrastructure Investment Plan for Growth and Jobs, including an additional £10m for Next Generation Broadband Programme in 2014-15.
- 11.5** The BETS MEG also includes a budget allocation of £41.4m for Annually Managed Expenditure (AME), which provides for impairments on the property portfolio, joint ventures and investments. Based on current and indicative market conditions the budget has been reduced by £21.4m in 2013-14 and 2014-15.

Overview of Portfolio

- 11.6** Our aim is to strengthen the conditions that will enable business to create jobs and sustainable economic growth.
- 11.7** Within our devolved powers, the strategic direction set out in Economic Renewal underpins our approach - investing in infrastructure, skills, innovation, improving the business environment and supporting business. This includes further integrating economic, education, skills, procurement and planning policies to deliver greater benefits to the Welsh economy; encouraging greater levels of private sector investment and employment; increasing the links between academia and businesses; and positioning Wales as a low carbon, green economy.
- 11.8** We have taken significant steps to improve the position of businesses in urban and rural Wales and the business environment within which they operate. The

Programme for Government annual report sets out our progress with achieving our key outcomes for Wales. In addition, details of our specific support for business are contained in our Annual Statement on work undertaken to support businesses across Wales which can be found on the Welsh Government internet.

11.9 Whilst we are taking a long term view of our policies to address the structural issues such as infrastructure and skills, we are also seeking to ease the pressures faced by individuals and businesses in the short term.

11.10 In 2013-14, we will continue to help people into sustainable employment through direct support to business, facilitate private sector jobs growth by improving the overall business environment and create the conditions and framework for the private sector to flourish. To help face the current and very challenging economic conditions we are focussing on three key areas:

- Helping businesses through challenging times;
- Stimulating demand; and
- Investing for future growth and jobs.

Budget Priorities

11.11 The Department has undertaken a detailed review of its spending plans to ensure that budgets in 2013-14 and 2014-15 are aligned to deliver the Programme for Government. The Department realigned its budget structure to delivery plans in the June 2012 Supplementary Budget and recurrent changes are contained in this Draft Budget.

11.12 The detailed review of spending plans provided the opportunity to strengthen our support to Sectors following a £10m transfer to the Sectors Capital Action in 2014-15 as a result of reducing commitments under the Legacy SIF programme.

11.13 A small number of adjustments to BETS budgets in both years have also been made to provide funding for the Science agenda within the Science Action, including the Department's contribution to the Welsh Government's £50m five year commitment to the Ser Cymru programme. This aims to attract star professors and researchers to Wales to enhance the performance of the Welsh research base, as measured by international standards of excellence and the level of competitively awarded research funding.

11.14 Whilst BETS is not directly responsible for delivering the Five for a Fairer Future commitments, through our cross working and interlinks with other Departments on economic and rural activities, we will work closely with them to support delivery.

11.15 For direct contribution and alignment of our actions to Programme for Government, we will contribute to Programme for Government outcomes including:

Chapter 1 - Supporting the economy and business;
Chapter 1 and 10 - Improving our Infrastructure and Ensuring rural communities have access to faster broadband speeds and new digital services;
Chapter 10 - A thriving rural economy; and
Chapter 12 - Widening access to our culture, heritage and sport and encouraging participation.

- 11.16** Other contributory outcomes that we will deliver on include Chapter 2 - **Supporting continuous improvement in our public services (Digital Wales)** and Chapter 7 - **Reducing the level of crime and fear of crime (ICT Sectors).**
- 11.17** We will be investing £130.9m to **support the economy and business** through the Sectors and Business; Science and Innovation; Strategy and Corporate Programmes and WEFO Managing delivery of Structural Fund programmes in Wales budgets. The Department is committed to making it easier for business to access finance, developing and supporting our micro-businesses and helping to start and grow businesses by, for example:
- setting up the £40m Wales SME Investment Fund in 2012-13 allowing a wide range of SME's to access finance over a number of years.
 - creating the £6m Micro-Business Loan Fund in 2012-13 providing support to at least 300 businesses from 2013-14 onwards.
 - creating the Wales Life Sciences Investment fund in 2012-13, worth up to £100m, to enable life science businesses to grow faster and further.
- 11.18** We recognise the vital importance of research and science in Wales by implementing "Science for Wales - a strategic agenda for science and innovation in Wales" and have provided £5m in 2013-14 and £6m in 2014-15 to support science activities.
- 11.19** In 2012-13, we are investing £30m to support the Wales Economic Growth Fund which provides a short term, fast track fund for business, providing immediate access to capital funding for investments that will create and retain jobs. This Fund has provided an important boost to business development in Wales. We are looking to build on this and are closely monitoring progress of the first phase of this scheme to consider the scope for further capital investment in this area.
- 11.20** Earlier this year we confirmed seven Enterprise Zones across Wales which will offer specific incentives to attract new business to prime locations in Wales. Their aim is to strengthen the competitiveness of the Welsh economy and demonstrate the Welsh Government's continued commitment to creating jobs and sustainable growth. We are currently developing a programme of investment to support Enterprise Zones across Wales for future years. We will consider appropriate capital allocations in support of this key priority area as this work progresses.

- 11.21** The Department will **maximise the use of EU Structural Funds in Wales** which provide funding of £483.8m in 2013-14 for programmes across the Welsh Government, by effectively managing the delivery of the 2007-13 funding round. We are developing European Programmes for the 2014-2020 funding round in partnership with key stakeholders, to ensure alignment with strategic priorities.
- 11.22 Improving our infrastructure** will be supported by our Infrastructure spending programmes with the Delivering ICT Infrastructure Action and Property Related Infrastructure amounting to £49.1m in 2013-14 to ensure that homes and businesses will have improved access to Next Generation broadband. We are allocating an additional £10m in both 2013-14 and 2014-15 to support the Next Generation Broadband Programme, which – when combined with commercial investments – will mean 96 percent of businesses and homes in Wales will be able to access a fibre-based broadband service by the end of 2015. The Programme, together with BT's overall investment in Wales, will see £425m invested to expand high-speed broadband throughout Wales. We will also ensure suitable property solutions are available in support of economic development priorities and wider Welsh Government objectives.
- 11.23 A thriving rural economy** is supported by our Rural Affairs spending programme amounting to £89.5m in 2013-14 including Delivering the programmes within the Rural Development plan; Making payments in accordance with EU and Welsh Government rules; Evidence based development for Rural Affairs; Meeting the needs of rural communities and rural proofing and developing (programmes to address emerging developments in farming), managing and enforcing Welsh Fisheries and Aquaculture.
- 11.24 Support for widening access to our culture, heritage and sport and encouraging participation** will be provided by funding for major events amounting to £4.7m in 2013-14.

Legislative Programme

- 11.25** We do not expect to bring forward any Bills during 2013-14.

Delivery Partners

- 11.26** Participation and stakeholder engagement remains a key feature in taking forward the Programme for Government. The key mechanism for stakeholder engagement is the Council for Economic Renewal. Chaired by the First Minister, the Council brings together, around one table, businesses, Welsh Government Ministers, representative organisations, trade unions and civil society. The Task and Finish Groups and Sector Panels established by the BETS Minister also provide advice on key economic issues/drivers.
- 11.27** Delivery of our actions will involve a range of public, private and/or third party organisations (including the Third sector). Where relevant these services are procured following EU and Welsh Government procurement rules. In addition to this, we are providing support to the third sector through funding to organisations which include the following: Wales Co-operative Centre; Social

Firms Wales; Welsh Social Enterprise Coalition; and The Development Trust Association Wales.

- 11.28** The Department works closely with Finance Wales (a wholly owned subsidiary of the Welsh Government) to deliver much needed financial support to SMEs, available from a number of funds, including the £150m JEREMIE fund, the Wales SME Fund, the Micro Business Loan Fund and the Wales Life Sciences Fund.

Table 11.1 – Business, Enterprise, Technology and Science Resource Allocations

Revenue DEL Budget	£000s							
	2012-13 ⁸		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Sectors and Business	50,722	43,856	12,016	55,872	43,856	11,468	55,324	
Science and Innovation	10,656	5,800	8,469	14,269	5,800	9,095	14,895	
Regional Funding	0	2,005	-2,005	0	2,005	-2,005	0	
Finance Wales	0	4,102	-4,102	0	4,102	-4,102	0	
Major Events	4,831	3,897	843	4,740	3,897	843	4,740	
Marketing	0	2,815	-2,815	0	2,815	-2,815	0	
Infrastructure	22,415	23,571	-2,929	20,642	23,571	-1,400	22,171	
Strategy & Corporate Programmes	12,478	4,918	5,220	10,138	4,918	5,142	10,060	
WEFO	1,522	1,522	0	1,522	1,522	0	1,522	
Rural Affairs	74,246	79,316	-4,200	75,116	79,316	-4,400	74,916	
Tourism	0	12,626	-12,626	0	12,626	-12,626	0	
Total Revenue DEL	176,870	184,428	-2,129	182,299	184,428	-800	183,628	
Revenue AME Budget								
Infrastructure	41,402	41,402	-21,402	20,000	41,402	-21,402	20,000	
Total Revenue AME	41,402	41,402	-21,402	20,000	41,402	-21,402	20,000	
Total Managed Expenditure (TME)	218,272	225,830	-23,531	202,299	225,830	-22,202	203,628	

⁸ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 11.2 – Business, Enterprise, Technology and Science Capital Allocations

Capital DEL Budget	£000s							
	2012-13 ⁹		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Sectors and Business	68,832	43,711	2,808	46,519	43,711	2,433	46,144	
Science and Innovation	1,107	300	2,313	2,613	300	2,679	2,979	
Regional Funding	0	995	-995	0	995	-995	0	
Finance Wales	0	1,500	-1,500	0	1,500	-1,500	0	
Infrastructure	11,031	18,456	10,000	28,456	18,456	10,000	28,456	
Strategy & Corporate Programmes	1,917	372	-313	59	372	-304	68	
Rural Affairs	15,469	11,723	2,700	14,423	11,723	0	11,723	
Tourism	0	2,313	-2,313	0	2,313	-2,313	0	
Total Capital DEL	98,356	79,370	12,700	92,070	79,370	10,000	89,370	
Capital AME Budget	0	0	0	0	0	0	0	
Total Capital AME	0	0	0	0	0	0	0	
Total Managed Expenditure (TME)	98,356	79,370	12,700	92,070	79,370	10,000	89,370	

⁹ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

12. Education and Skills

Summary of Budget Changes

12.1 Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Education and Skills has increased by £12.3m in 2013-14 and has decreased by £10.8m in 2014-15.

12.2 This includes a net decrease to the resource budget of £21m in 2013-14 and £20.8m in 2014-15 which comprises the following transfers with other MEGs:

- Funding of £2.1m (£2.3m in 2014-15) will transfer into the Education and Skills MEG from the Health, Social Services and Children MEG to cover payments to Cardiff University to support medical and dental training;
- Further streamlining of our grant schemes will see the Free School Breakfast Initiative, Appetite for Life and School Counselling budgets transfer into the Revenue Support Grant. That means a recurrent transfer from the Education and Skills MEG to the Local Government and Communities MEG in 2013-14 of £21.8m; and
- A recurrent transfer out of £1.3m into the Central Services and Administration MEG to cover administration costs of the former Welsh Language Board which was abolished earlier in the year.

12.3 There is an increase to the capital budget of £33.3m in 2013-14 (£10m in 2014-15), comprising:

- £15m additional capital funding in 2013-14 to enable acceleration of a number of schemes under the 21st Century Schools programme in line with the investment priority to **Improve the quality of the educational estate** as set out in the Wales Infrastructure Investment Plan for Growth and Jobs; and
- £18.3m in 2013-14 from the Centrally Retained Capital Fund, comprising:
 - £7m for the extension, refurbishment and new build of secondary schools in the Dinefwr region in Carmarthenshire;
 - £2.1m for the Gateway to the Valleys project to build a new school in the Tondy area of Bridgend;
 - £3m for the Merthyr Learning Quarter project bringing sixth forms in Merthyr Tydfil together with Merthyr College, University of Glamorgan and the University of the Heads of the Valleys Institute;
 - £4.7m for the Ysgol y Bont project in Anglesey to support the construction of a new state of the art green school; and
 - £1.5 for the new Welsh Medium School in Wrexham.

12.4 To support delivery of our investment priorities as set out in the Wales Infrastructure Investment Plan for Growth and Jobs, we are investing £10m in 2014-15 to accelerate the new post-16 Further Education campus for Cardiff and Vale College in Cardiff city centre.

12.5 The latest forecasts for Annually Managed Expenditure in respect of Student Loans requires an increase of £15.6m in 2013-14, providing a total budget of

£176.9m and an increase of £29.8m in 2014-15 resulting in a revised budget of £183.1m.

Overview of Portfolio

12.6 The Department for Education and Skills has five strategic objectives which reflect the aims in the Programme for Government:

- To raise the standards of education and training provision, attainment and infrastructure across Wales so that everyone can reach their potential;
- To deliver a skilled workforce with high quality opportunities for all learners;
- To support individuals, families, communities and businesses in improving economic and social wellbeing and reducing inequality through education and training;
- To see the Welsh language thrive in Wales; and
- To be a high performing Department and employer of choice.

Budget Priorities

12.7 Education and skills are at the heart of the Welsh Government's Programme for Government and the work that the Department carries out supports the delivery of several key Programme for Government outcomes. In preparing for the Final Budget 2012-13, work was carried out to ensure that spending plans within the MEG were aligned to Departmental strategic objectives which encompass the commitments made in the Programme for Government.

12.8 In preparing for the Draft Budget 2013-14, we have built on the work undertaken last year to review the alignment of resources and have utilised the Programme for Government annual report to inform a review of budgets. This has resulted in a number of spending proposals to support delivery of key outcomes including reducing the number of young people not in employment or training, raising educational attainment at all levels and delivering 21st Century schools across Wales.

Reducing the number of young people not in employment or training

12.9 The Department has reorganised resources to better support delivery of key Programme for Government outcomes, including *improving Welsh skills for employment, tackling worklessness and raising household income* and *improving the skills of young people and families*. Budgets have also been realigned which will enable funding of £19.7m to be directed to support this agenda.

12.10 After a successful pilot, Jobs Growth Wales was launched in April 2012 providing a £75m investment over three years in support of the **Five for a Fairer Future** commitment. It aims to create 4,000 job opportunities annually for

unemployed young people across Wales, aged 16-24, giving them work experience for a 6-month period. The programme will cater for young people that are job ready but have had difficulty securing employment. We are committing £12.5m each year within the Youth Engagement and Employment Action budget which will be supported by match-funding from the European Social Fund.

- 12.11** We are taking clear actions to address some of the difficulties faced as a result of the economic climate. Our Skills Growth Wales programme which helps growing businesses in key priority sectors up-skill their workforce and support the creation of new employment opportunities was extended in January 2012 and has a budget of £7.9m in 2013-14. The Young Recruits Programme, which provides financial support to eligible employers who offer high quality apprenticeship programmes, has been extended and is supported by funding of £4.2m in 2013-14. It is anticipated that 1000 people will benefit from support in 2013-14.
- 12.12** Through £23m of investment, we have implemented the Traineeships Programme, supporting participants aged 16-18 for preparatory and level 1 work-centred training and also the Steps to Employment Programme, which supports skills training for unemployed participants. We have created 2,000 places on the Pathways to Apprenticeship scheme to ensure that young people are still able to access high quality skills training in the absence of apprenticeship places. This is funded with £2.8m of ESF funding. We are also implementing the 2011-2015 Youth Engagement and Employment Action Plan to help young people engage with learning.

Improving educational attainment

- 12.13** Our 20-point School Improvement Action Plan aimed at *improving school attainment* has a particular focus on improving literacy and numeracy and reducing the impact of deprivation on education achievement. We have developed literacy and numeracy frameworks and are improving teaching practices through Professional Learning Communities and the School Effectiveness Framework. We are also reshaping school improvement functions around four regional consortia and have established the School Standards Unit. This action is supported by several budgets including £34.4m for Education Standards (rising to £37.3m in 2014-15), £8.3m for Curriculum and Assessment, £16m for 14-19 Learning Pathways and £7.5m for Literacy and Numeracy. We are also providing additional support for Specialist Placements for Students with Learning Difficulties in FEIs which has a budget of £16m in 2013-14, including an increase of £3.7m over 2012-13 to satisfy greater demand.
- 12.14** We are raising teaching standards and have developed a Masters teacher training course which was introduced in September this year. This course is funded by £10m per annum from 2013-14 from within the Teaching and Leadership budget of £20m in the Education Standards Action.

- 12.15** We are committed to *improving early years' experience* and the introduction of the Foundation Phase for 5 to 7 year olds in primary schools is now complete. The Foundation Phase will now be subject to an evaluation which is due to report in 2013-14, with a view to mainstreaming the grant into the Revenue Support Grant in 2014-15. The budget for Foundation Phase is £101m in each of 2013-14 and 2014-15.
- 12.16** From the outset of this Spending Review period, we have said that we are committed to protecting investment in schools and this *Five for a Fairer Future* commitment was reflected in the Programme for Government. Over the period 2011-12 to 2014-15, we have increased schools budgets by an additional 1 percent above overall changes to the Welsh Budget. This means that over the same period schools funding within the Education and Skills MEG will increase by £17m. This protection also means education funding within the Revenue Support Grant will be over £80m higher in 2014-15 than in 2010-11. We are working with local authorities to ensure that 85 percent of schools funding is delegated to schools by 30 September 2014.
- 12.17** In the Final Budget 2012-13, we announced an additional £20m for a Pupil Deprivation Grant in 2012-13, with indicative figures of £20m in each of 2013-14 and 2014-15, to help address the impact of deprivation on attainment. In line with this, we introduced the Pupil Deprivation Grant in April 2012. Together with the School Effectiveness Grant element, total funding for the Pupil Deprivation Grant in 2012-13 is set at £32.4m. To account for anticipated demand we have increased the funding from 2012-13 levels by £4.4m to £36.8m in 2013-14 with further planned increases of £1.4m in 2014-15. The extra funding in 2013-14 includes an additional £1.5m, from savings identified from our review of budgets, which will enable the grant to be extended to provide support for looked after children. This will enable us to maintain additional support of £450 per pupil, all of which will be directed to schools. The Pupil Deprivation Grant is a key opportunity for schools to invest in effective approaches to tackle the impact of deprivation.
- 12.18** We remain committed to *improving Further and Higher Education*. We will encourage further merger and collaboration to create efficiencies and widen access. Post 16 staying-on rates are increasing and the rising success rates in Further Education should help lift attainment at age 19. Action to help young people who are not engaged in employment or training activity will also address low attainment rates in this group.
- 12.19** The Further Education Provision budget, including School Sixth Forms, of £455.7m includes a transfer in from Qualifications in respect of delivery of the Welsh Baccalaureate of £4.7m. Transformation in the Further Education sector is supported by the Education Structures budget of £2.9m. This includes a reduction of £1m over the 2012-13 baseline which represents savings identified from our review of budgets.
- 12.20** In Higher Education we are continuing to drive the transformation and rationalisation process that is taking shape in Wales to create a smaller number of stronger universities. Good progress has also been made on establishing the

University of the Heads of the Valley initiative. Our aim is to not only bring Higher Education closer to those who might benefit the most but also to enable regeneration of the community. Y Coleg Cymraeg Cenedlaethol has begun promotion of Higher Education through the medium of Welsh and has introduced Welsh medium scholarships. The Higher Education Funding Council for Wales has a key role in ensuring that the £382.3m budget is focused on delivering our key outcomes.

- 12.21** In terms of student support, the Welsh Government is committed to ensuring that no student will face increased tuition fees and no Welsh university will charge more than £4,000 unless they widen access and improve the student experience. We are also maintaining financial support through means tested maintenance grants including the Education Maintenance Allowance and student loans. Student support in the form of the Assembly Learning Grant and Education Maintenance Allowances is £198.2m in 2013-14 from within the Post 16 Learner Support Action.

21st Century Schools

- 12.22** We will continue our highly successful 21st Century Schools programme which aims to build new schools, improve existing school facilities and invest in additional learning need, Welsh-medium education, faith based school provision.
- 12.23** The programme will address not only poor conditions and surplus capacity in the schools estate but deliver sustainable, cost-effective schools that are fit for the 21st Century.
- 12.24** We have increased the capital budget to support this work by £33.3m over previously published indicative plans for 2013-14 and by £10m in 2014-15. This includes an additional allocation of £15m in 2013-14 to enable acceleration of a number of schemes under the 21st Century Schools programme. Working with local authorities, the Welsh Government is exploring the scope to accelerate the programme. This funding also includes an additional £10m in 2014-15 to accelerate the new post-16 Further Education campus for Cardiff and Vale College in Cardiff city centre. This scheme will provide a substantial presence for further education and the learning and skills development needs of individuals, communities and businesses in the city. As a result of the increased investment in this area we will be able to identify and prioritise capital investment schemes that are able to start earlier than originally planned.

Legislative Programme

- 12.25** The Welsh Government's legislative programme comprises the following Bills which fall within the Education and Skills portfolio:
- Schools Standards and Organisation (Wales) Bill
 - Further and Higher Education (Wales) Bill
 - Education (Wales) Bill

12.26 The **School Standards and Organisation (Wales) Bill** was laid before the Assembly in April 2012 and is currently going through the National Assembly for Wales Scrutiny process. The Bill will seek to improve the standards and performance of education in Wales and will place duties on local authorities to make provision for school based counselling and primary school free breakfasts to ensure continuation of these services. As part of implementation, we will also mainstream several grant funded programmes to help streamline current processes. The Welsh Government will transfer the currently ring-fenced grants for the provision of primary free school breakfasts and school based counselling to the Revenue Support Grant. A total of £21.8m for the related budgets will be transferred to the Revenue Support Grant in 2013-14. Any further costs in association with the development and implementation of the Bill will be met from within the MEG.

12.27 The **Further and Higher Education (Wales) Bill** will seek to enhance the autonomy and decision making abilities of Further Education colleges. It will also seek to reform the functions of the Higher Education Funding Council for Wales and provide Welsh Ministers with the ability to fund Higher Education provision directly; to support partnership and collaborative activity. Funding provision for the development of the Bill will be provided from within the MEG from the Higher Education and Post 16 Education Actions. We will continue to develop robust costings with our delivery partners and will be taking account of the results of the consultation exercise which ended on 24 September.

12.28 The **Education (Wales) Bill** will set out a number of proposals including requirements for the registration of the education workforce and the registration of children of compulsory school age who are home educated. We are currently developing detailed costings associated with the implementation of this Bill. Any costs in association with the development and implementation of the Bill will be met from within the MEG.

Delivery Partners

12.29 Our delivery partners are key to the success of Education and Skills in Wales particularly as the majority of funding passes through these organisations to individual learners. Our main delivery partners and our plans for the level of funding in 2013-14 are:

- Further education colleges and school sixth forms (grants) totalling £471.7m;
- Higher education institutions via grant-in-aid and specific grants to the Higher Education Funding Council for Wales amounting to £382.3m;
- £224.8m to support key programmes funded through local authorities and consortia, including Foundation Phase, Pupil Deprivation Grant, School Effectiveness Grant and funding of Post 16 Special Educational Needs;
- Support for students of £198.2m through the Student Loans Company in support of the Assembly Learning Grant and Education Maintenance Allowance;
- Funding of £30m to careers companies;

12.30 Other delivery partners include the WJEC, General Teaching Council for Wales, Sport Wales and the Welsh Language Commissioner, Third Sector organisations, church dioceses and the private sector.

Table 12.1 – Education and Skills Resource Allocations

	£000s							
	2012-13 ¹⁰		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Revenue DEL Budget								
Education and Training Standards	1,166,961	1,186,719	-2,467	1,184,252	1,191,319	-2,267	1,189,052	
Skilled Workforce	89,649	77,039	4,364	81,403	77,039	4,364	81,403	
Social Wellbeing & Reducing Inequality	390,752	401,605	-22,586	379,019	404,640	-22,586	382,054	
Welsh Language	24,976	26,455	-1,379	25,076	26,455	-1,379	25,076	
Delivery Support	4,191	3,006	1,043	4,049	3,006	1,043	4,049	
Total Revenue DEL	1,676,529	1,694,824	-21,025	1,673,799	1,702,459	-20,825	1,681,634	
Revenue AME Budget								
Social Wellbeing & Reducing Inequality	-89,033	-108,455	21,194	-87,261	-125,974	23,421	-102,553	
Total Revenue AME	-89,033	-108,455	21,194	-87,261	-125,974	23,421	-102,553	
Total Managed Expenditure (TME)	1,587,496	1,586,369	169	1,586,538	1,576,485	2,596	1,579,081	

¹⁰ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table12.2 – Education and Skills Capital Allocations

	£000s							
	2012-13 ¹¹		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Capital DEL Budget								
Education and Training Standards	178,293	143,734	33,400	177,134	143,734	10,100	153,834	
Welsh Language	0	100	-100	0	100	-100	0	
Total Capital DEL	178,293	143,834	33,300	177,134	143,834	10,000	153,834	
Capital AME Budget								
Social Wellbeing & Reducing Inequality	267,342	269,740	-5,610	264,130	279,284	6,418	285,702	
Total Capital AME	267,342	269,740	-5,610	264,130	279,284	6,418	285,702	
Total Managed Expenditure (TME)	445,635	413,574	27,690	441,264	423,118	16,418	439,536	

¹¹ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

13. Environment and Sustainable Development

Summary of Budget Changes

- 13.1** Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Environment and Sustainability has increased by £6.8m in 2013-14 and £4.7m in 2014-15.
- 13.2** This includes a net decrease to the resource budget of £1.3m in 2013-14 which reflects an adjustment in respect of cost reductions and reprofiling of the Waste Management Procurement Programme. There is a net decrease to the resource budget of £3.3m in 2014-15. This comprises an adjustment of £1.8m in respect of the Waste Management Procurement Programme and a repayment of £1.5m 'Invest to Save' funding in respect of the new Natural Resources Body.
- 13.3** There is a net increase to the capital budget of £8.1m in 2013-14 and £8m in 2014-15. The Welsh Government has made a number of additional capital allocations to support delivery of the priorities in the Wales Infrastructure Investment Plan for Growth and Jobs, including:
- £5m to increase investment in energy efficiency (£5m in 2014-15) of Welsh homes and help us to lever in funding to Wales from the new Energy Company Obligation (ECO). Funding will operate through our existing programmes Nest and Arbed; and
 - £4m for Flood and Coastal Erosion Risk Management Programme (£6m in 2014-15), which will pay for schemes led by Local Authorities and the Natural Resources Body that will reduce flood risk for a number of communities across Wales.
- 13.4** The adjustment to the capital budget also reflects the cost reductions and reprofiling of the Waste Management Procurement Programme, amounting to £0.9m in 2013-14 and £3.0m in 2014-15.

Overview of Portfolio

- 13.5** The Environment and Sustainable Development portfolio has cross-cutting responsibility for sustainable development and brings together policy on the environment and animal health and welfare.
- 13.6** The aim of the Environment and Sustainable Development Department is to ensure the sustainable development of Wales, particularly through making the best possible use, in the wider public interest, of our natural resources.
- 13.7** The Department leads for the Welsh Government on the overarching commitments to promoting sustainable development and addressing climate change. It contributes through its investment programmes and planning responsibilities to maintaining a strong and sustainable economy; a healthy and more equal society; diverse and resilient environments; and to the development of Wales as an energy efficient, low carbon, low waste society.

13.8 The Department takes the lead on policy and regulation for water, waste, energy and energy efficiency, fuel poverty, animal and plant health, biodiversity and access to the countryside, marine planning, land use planning, environmental evidence, pollution control and local environmental quality. The Department is also driving sustainable investment directly through infrastructure investment programmes for flood, waste, fuel poverty and energy efficiency.

13.9 As part of the Welsh Government's commitment to developing evidence-based policy there is a continuing emphasis on the need for effective, relevant and robust research. The Department is committed to supporting the development of a Welsh specific, environmental evidence base, which is used to inform the policy priorities outlined above and to explore Departmental cross cutting initiatives.

13.10 The plans we outline in the Draft Budget will support this through measures to increase greatly the efficiency with which resources, including energy, are used; by improving and integrating the way in which we manage and regulate our use of land, sea, air and water, and by working with others to deliver the commitment to sustainable development as the central organising principle of Government.

Budget Priorities

13.11 A recent review of budgets has been undertaken in order to ensure that they are fully aligned to deliver the priorities set out in the Programme for Government.

13.12 As a result of reviewing the priorities against current budget allocations, we have created two new programmes as well as a single budget for the new Natural Resources Body for Wales that brings together the Countryside Council for Wales (CCW) the Environment Agency Wales (EAW) and the Forestry Commission Wales (FCW). The combined budget for the Single Body will be in excess of £78m in 2013-14.

13.13 The new programmes have been funded by releasing resources from the Natural Environment Framework Restructuring budget which is supported by the delivery of the Single Body from April 2013. These additional programmes are:

- Urban Environment – This was previously called 'Local Environment Quality and Keep Wales Tidy' with a budget of £2.9m to support the 'Tidy Towns' initiative; Keep Wales Tidy and provide grants to improve the local environment. Our poorest communities in urban areas often experience the worst quality local environments with high levels of pollution and lack of access to green space. We are bringing together programmes to support wider and deeper local improvements and are specifically allocating an additional £1m (increasing to £2m in 2014-15) to the renamed Urban Environment budget which will support additional activity in this area, such as building on the new grant scheme that will help local authorities develop projects to reduce air and noise pollution and develop tranquil green spaces.

- Natural Environment – This is a new programme for which we will provide £1m of funding during 2013-14 (increasing to £2m in 2014-15) to deliver projects which contribute to improving our ecosystems including supporting our commitments to biodiversity and taking forward priority actions which emerge from the development of the action plan for pollinators which will be published in Spring 2013.

13.14 There have been a number of budget re-alignments to align current programmes and budget lines to their relevant Actions. All other budgets within the portfolio remain unchanged and they continue to support and deliver our commitments under the Programme for Government.

13.15 We have particular accountability for ensuring delivery is on track in a number of areas within the Programme for Government – most notably in the chapters covering Growth and Sustainable Jobs, Welsh Homes, Tackling Poverty, Rural Communities and Environment and Sustainability.

13.16 The main activities in the Programme for Government which are being delivered from this portfolio are set out in the following sections.

Living within environmental limits and acting on climate change

13.17 We have moved from an approach mainly based on regulation to one where we are making significant investment in our environmental infrastructure, leveraging private capital where appropriate.

13.18 Our ambition is to recycle 70 percent of our waste by 2025 and to be a zero waste nation by 2050 and there has been significant progress on the proportion of waste that is recycled. Wales is out-performing the other countries in the UK and as a whole is on track to meet the first statutory recycling target (52 percent in 2012-13). The Waste Procurement Programme is well advanced in developing further projects that will drive progress to meet these ambitious Zero Waste targets. Funding to support these commitments is in excess of £86m for 2013-14.

13.19 Significant economies of scale and public value are being achieved through the collaboration of 21 authorities in regional consortia for procuring waste facilities. The ‘value for money’ benefits for the public sector are substantial, not least because of a stronger level of market interest in a highly joined-up government approach. Competition is maximised through a neutral procurement approach to technology and facility ownership. As contracts are awarded, the financial savings made by the Welsh Government are already being realised, with the actual cash savings on the first two AD contracts awarded being just over £1.9m.

13.20 Funding is also allocated to provide for the delivery of the climate change engagement strategy to deliver the behaviour change required to reach these ambitious targets in the strategy. Cynnal Cymru, Keep Wales Tidy and the Pathfinders programme are examples of funded organisations which deliver the outcomes from the strategy. £2.9m has been allocated for 2013-14 in respect of

this within the 'Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation' action.

Protecting healthy eco-systems

- 13.21** New natural resource planning will provide a clear picture of our priorities and aspirations for the use of Wales' natural resources. Proposals were set out in 'Sustaining a Living Wales' our Green Paper.
- 13.22** The new Natural Resources Body for Wales, with a combined budget of £78m, will support the conditions for a more streamlined and integrated approach to environment and natural resource management. It will have a key role in protecting and managing our natural resources, helping us simplify the regulatory process. The body will continue to deliver the services of its predecessor bodies while seeking opportunities to improve and rationalise the way these services are provided and the benefits they give to society.

Creating sustainable places for people

- 13.23** The Flood and Coastal Erosion Risk Management Programme has greatly increased the support for communities at risk from flooding compared to historic levels. We have recently launched the first National Strategy for Flood and Coastal Erosion Risk Management which sets out the risks we face.
- 13.24** To improve the level of flood protection for properties across Wales we are allocating an additional £10m across Wales in this vital Programme over the next two years with £4m in 2013-14 and £6m in 2014-15. This means that in 2013-14 we will be investing over £14.8m to help protect properties from the risk of flooding the length and breadth of Wales. In addition, we will also draw down an estimated £6.1m from the European Regional Development Fund, which means that our capital investment in 2013-14 will be almost £20m.
- 13.25** Including both capital and resource funding, the Welsh Government is investing over £140m in flood and coastal erosion risk management over the life of this Government with £42m for 2013-14 alone. This is supplemented by a further £50m from the European Regional Development Fund.

A thriving rural economy

- 13.26** Our work to tackle bovine TB continues, and the most recent data shows a very high level of compliance with annual TB testing, which alongside other measures, works to address cattle to cattle transmission.
- 13.27** We are taking forward the Programme for Government commitment to take a science led approach to tackling bovine TB and have started the badger vaccination programme within the Intensive Action Area.
- 13.28** Other animal health and welfare commitments include promoting higher standards of animal health and welfare, and protecting against the spread of

animal infectious diseases. The funding to support the Protecting and Improving Animal Health and Welfare Action is £39m.

Tackling worklessness and raising income

- 13.29** **Arbed**, our domestic energy efficiency scheme, is investing in improvements to the performance of our housing stock in Wales. Arbed will improve the energy efficiency of a minimum of 4,790 homes in Wales by the end of 2015 and phase 2 which is primarily funded through the European Regional Development Fund with Welsh Government match funding will see an investment of nearly £43m over 3 years.
- 13.30** Nest/Nyth (successor to the former Home Energy Efficiency Scheme) is helping to tackle fuel poverty and is expected to help up to 15,000 households in Wales with advice and home energy improvements and we expect to invest up to £100m in this programme over the 5 years from 2011-12.
- 13.31** Investing in housing is one of our seven high level investment priorities as set out in the Wales Infrastructure Investment Plan for Growth and Jobs. To support delivery of this priority, we are allocating an additional £10m for improving domestic energy efficiency as part of this Draft Budget. Additional capital – £5m in both 2013-14 and 2014-15 – will be used within Nest and Arbed to enable improvements to be made in the energy efficiency of 1600 Welsh homes, focusing on those in fuel poverty. This means that in 2013-14 we are allocating £36.5m for Nest and Arbed, this includes £13.5m from the European Regional Development Fund.

Creating a sustainable, low carbon economy.

- 13.32** ***Energy Wales - a Low Carbon Transition*** published in March 2012 sets out how we will attract investment in low carbon and renewable energy. It describes maximising the long term benefits to Wales, working in partnership with business and communities. Direct Departmental spend in 2013-14 will be £0.6m.
- 13.33** We are committed to achieving a 55 percent reduction in carbon emissions over 2006 levels for new housing by 2016. Our direct funding of £0.8m for 2013-14 covers sponsorship of Constructing Excellence Wales, the Wales Low Zero Carbon Hub and Building Regulations development work aimed at delivering the Programme for Government commitment to improve the emissions performance of new homes.

Legislative Programme

- 13.34** We plan to introduce a Sustainable Development Bill late in 2013, to take forward our Programme for Government commitment to legislate to make sustainable development the central organising principle of the Welsh Government and public bodies in Wales.

- 13.35** The Environment Bill, scheduled for 2014-15, will provide an opportunity to consolidate the complex regulatory regimes and ensure they are fit for purpose, bringing together our different management regimes into a simpler process that provides clarity for investors and communities.
- 13.36** New planning legislation will draw on the results of our current independent review of how we can improve the effectiveness of the delivery of the planning system. This provides an opportunity to introduce primary legislation which takes forward the reform agenda.
- 13.37** The Control of Dogs Bill, which is scheduled for introduction in 2013, will ensure that dogs that are out of control are brought and kept under control. Existing legislation focuses on certain specified breeds, whereas this Bill will be applied on the basis of a dog's behaviour, regardless of breed.

Delivery Partners

- 13.38** We work closely with a number of partners to deliver for the people of Wales. In 2013-14:
- we will allocate over £110m to local authorities to support the delivery of our priorities, including:
 - £86.5m to deliver EU and Wales waste recycling targets as well as support the delivery of waste targets across other waste streams. Through procurement hubs, this funding is also used to facilitate the procurement process in the treatment of residual and food waste and provide the infrastructure for recycling in order to meet both Welsh and EU targets;
 - we will provide unhyphenated General Capital Funding, which forms part of the overall Local Government Settlement, of £13.1m for Environment and Sustainable Development; and
 - Flood and Coastal Risk management over £20m to build flood defences and coastal protection works (including £6m support from the European Regional Development Fund).
 - we will provide total funding of £11.2m for the three National Park Authorities who are key partners in taking forward *A Living Wales*;
 - we will continue to invest in our two flagship schemes to address fuel poverty in Wales; Nest (£18m) managed by British Gas, and Arbed 2 (£4.1m match funding) managed under contract by Wilmot Dixon and Melin Homes. We will also invest £5.3m in our energy efficiency advice and support and continue to support our community renewable energy programme, Ynni'r Fro. We are in the process of reviewing and scoping out future energy efficiency advice and support programmes that are currently delivered by the Carbon Trust, Salix and the Energy Saving Trust.
 - £16.6m will be allocated to the Animal Health Veterinary Laboratories Agency (AHVLA) in Wales. The AHVLA is a key delivery agent for the Welsh Government and the funding helps safeguard animal health and welfare as

well as public health, enhances food security through research, surveillance and inspection;

- funding of £78m will support the Natural Resources Body for Wales which will come into operation on 1 April 2013, bringing together functions of the Environment Agency Wales (£20.8m), Countryside Council for Wales (£36.4m) and Forestry Commission Wales (£20.5m) The grant in aid for the new body is the combined planned grant in aid for the predecessor bodies. It is intended that the new body will deliver gross benefits of £158m over the first 10 years of its life, whilst fulfilling all the functions of the three legacy bodies.

13.39 Other funded delivery partners include The Climate Change Commission for Wales, the Planning Inspectorate, the Design Commission for Wales, Constructing Excellence in Wales, Environment Wales, and Cynnal Cymru .

Table 13.1 – Environment and Sustainable Development Resource Allocations

Revenue DEL Budget	£000s							
	2012-13 ¹²		2013-14		2014-15		New Plans Draft Budget	New Plans Draft Budget
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes		
Climate Change and Sustainability	115,855	121,118	-1,000	120,118	125,418	-1,533	123,885	
Environment	80,887	77,648	19,568	97,216	77,648	18,056	95,704	
Planning	7,403	7,090	0	7,090	7,090	0	7,090	
Protecting and Improving Animal Health and Welfare	39,454	38,895	0	38,895	38,041	0	38,041	
Evidence Base	354	304	832	1,136	304	832	1,136	
Forestry	21,200	20,700	-20,700	0	20,700	-20,700	0	
Total Revenue DEL	265,153	265,755	-1,300	264,455	269,201	-3,345	265,856	
Revenue AME Budget	0	0	0	0	0	0	0	
Total Revenue AME	0	0	0	0	0	0	0	
Total Managed Expenditure (TME)	265,153	265,755	-1,300	264,455	269,201	-3,345	265,856	

¹² The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 13.2 – Environment and Sustainable Development Capital Allocations

Capital DEL Budget	£000s							
	2012-13 ¹³		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Climate Change and Sustainability	69,936	50,555	8,073	58,628	50,555	8,029	58,584	
Environment	5,600	3,850	-205	3,645	3,850	-205	3,645	
Evidence Base	38	38	0	38	38	0	38	
Forestry	-205	-205	205	0	-205	205	0	
Total Capital DEL	75,369	54,238	8,073	62,311	54,238	8,029	62,267	
Capital AME Budget	0	0	0	0	0	0	0	
Total Capital AME	0	0	0	0	0	0	0	
Total Managed Expenditure (TME)	75,369	54,238	8,073	62,311	54,238	8,029	62,267	

¹³ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

14. Housing, Regeneration and Heritage

Summary of Budget Changes

14.1 Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Housing, Regeneration and Heritage has increased by £14.3m in 2013-14 and £7.8m in 2014-15.

14.2 This includes a net increase to the resource budget of £1.8m in 2013-14 and £1.8m in 2014-15, comprising:

- A transfer in of £2m from the Central Services and Administration MEG for a new mechanism to increase investment in social housing; and
- A transfer out of £0.2m to the Central Services and Administration MEG in respect of the Residential Property Tribunal.

14.3 There is an increase to the capital budget of £12.5m in 2013-14 and £6.0m in 2014-15, including:

- £6m additional capital funding (in each of 2013-14 and 2014-15) for the Welsh Housing Partnership to support delivery of the 'Investing in housing' priority in the Wales Infrastructure Investment Plan for Growth and Jobs;
- £6.5m from the Centrally Retained Capital Fund, comprising:
 - £5m in 2013-14 for the West Rhyl Housing Redevelopment Scheme; and
 - £1.5m in 2013-14 for the restoration of the Merthyr Tydfil Old Town Hall.

14.4 The Annually Managed Expenditure budget has reduced by £16m to reflect the latest forecast of Housing Revenue Account Subsidy receipts payable to the Treasury.

Overview of Portfolio

14.5 The Department has a wide ranging remit, with responsibility for developing and implementing policies on housing, regeneration, the arts, culture, sport and active recreation, museums, archives and libraries, and the historic environment.

14.6 The Department has a number of main aims reflected across the Programme for Government and this Draft Budget shows how we will deliver in 2013-14 and beyond. We will ensure that people have high-quality, warm and secure homes to live in. The impact of some of our interventions in this area are likely to be felt over the longer-term as we make changes to planning legislation and expand our stock of social housing.

14.7 We will continue to regenerate key settlements and communities and revive our seaside towns; and we will support the culture and heritage of Wales to provide a better foundation for life through vibrant places, culture, sport and media.

Budget Priorities

14.8 The Housing, Regeneration and Heritage Minister has undertaken a review of budgets in order to ensure that allocations are fully aligned to deliver the priorities set out in the Programme for Government. This has included the reprioritisation of revenue budgets whereby £1.8m from regeneration and £0.2m from the housing policy development budget has been transferred to support a new mechanism to increase investment in social housing – reflecting the overriding need to deliver additional housing for Welsh Communities.

14.9 In addition, we have restructured our budgets to place a stronger emphasis on delivery of Government priorities including the delivery of additional housing alongside regeneration activities and to recognise the importance of adopting an integrated approach to our redevelopment activities. Annex B provides a reconciliation of the budget structure.

14.10 The main activities in the Programme for Government which are being delivered from this portfolio set out in the following sections.

Increasing the Supply and Choice of Housing

14.11 We are working to stimulate house-building through action in the planning system to release more land; by developing ways to make it easier to release public land for house-building; and by exploring innovative methods of stimulating private investment. Measures set out in the Housing Bill and the Planning Bill will support this. Proposals for the Housing Bill and more action to increase the supply of homes were published in the Housing White Paper in May 2012.

14.12 Investment in housing stands at nearly £212m which represents some 20 percent of the total capital budget for the Welsh Government. The recent White Paper made clear that we recognise the economic as well as social benefits which this investment generates. It is estimated that 21 workers are required to deliver each £1m of output in new housing and 32 workers for every £1m invested in housing refurbishment.

14.13 Increasing housing supply and choice are key elements of our Programme for Government commitment to ensure that people have high-quality, warm and secure homes to live in. On 14 May, the Minister for Housing, Regeneration and Heritage demonstrated his commitment to increasing the supply of affordable housing by announcing new housing targets for the term of this Government. Our aim is that 7,500 affordable new homes will be built and 5,000 empty properties will be brought back into use. In order to deliver this, a number of initiatives will help deliver these targets, including:

- The housing revenue budget has been reprioritised and new funding allocated to create an annual budget of £4m from 2013-14. This funding will be used to support the financing costs of a new mechanism to increase investment in

social housing and will deliver up front investment of some £100m and will deliver over 1,250 properties across Wales;

- Investment in housing is one of our seven high level investment priorities as set out in the Wales Infrastructure Investment Plan for Growth and Jobs. To support delivery of this priority, we are allocating additional funding of £6m per annum in 2013-14 and 2014-15 to expand the Welsh Housing Partnership - a partnership with housing associations who are investing equity. This extra investment of £12m will lever in some £48m of additional private sector funding and deliver more than 560 additional affordable homes; and
- A recyclable loans fund is the basis of the Houses into Homes programme, with a budget of £10m established in 2012-13. Repayments of loans will be recycled over the next three years to bring more long-term empty properties back into use.

Improving Quality of Housing

14.14 Ensuring people have a home that meets their needs – warm, affordable, secure, in good condition and with non detrimental impact on the environment – is a key priority for the Welsh Government. A home is a vital part of people’s lives. It affects health and well-being, quality of life, and the whole life chances of individuals and families. We are continuing to invest £108m per annum for the Major Repairs Allowance and Dowry Fund. This budget funds major repairs for local authority housing, and dowry payments for former local authority housing that has transferred to new stock transfer landlords. Both of these funding streams help to achieve the Welsh Housing Quality Standard (WHQS), the broad objective of which is to ensure that the social housing stock in Wales is fit for the 21st Century. This underpins much of the Welsh Government’s strategic objectives - for example on tackling deprivation, poverty, improving health outcomes and creating jobs and training opportunities.

Improving Housing services and support Poverty and material deprivation

14.15 We are continuing to invest £136m a year in delivering housing related support to vulnerable people through the Supporting People Programme. This programme needs to remain a priority if we are going to combat the impact of the welfare reforms and economic downturn. The programme is supporting some 50,000 people per year and provides good value for each pound invested in a variety of programmes.

14.16 We are also committed to preventing homelessness, one of the extreme examples of deprivation, and are maintaining investment of over £7m to support this important agenda in 2013-14. We are seeking to address the supply-side issues to meet demand and increase the numbers of affordable homes which will assist in addressing this issue.

14.17 Enabling people to live independently in their own homes for as long as possible is also a priority for the Welsh Government and that is why we have protected

our capital investment in the Rapid Response Adaptations Programme at £1.6m per annum and providing revenue support of £0.5m for the programme. This is complimented by providing revenue funding in 2013-14 for the Care and Repair agencies who deliver this work and other core advice related services of £4.7m. This programme also helps to reduce the demand on the NHS and social services by enabling people to leave hospital or residential care as soon as they are able to. We are strengthening the links between housing, health and social services.

Regeneration of town centres and seaside towns

- 14.18** The regeneration programme comprises an integrated series of actions and targeted investment which aims to reverse the decline of disadvantaged areas in Wales and deliver sustainable renewal. The budget of £66m in 2013-14 will support a series of focused, area-based interventions in parts of Wales where we work with local agencies to tackle acute needs and multiple forms of deprivation. We work with partners across the public, private and third sectors to develop and deliver co-ordinated and holistic action plans to address local needs and opportunities. To maximise the impact on place and people of regeneration investment funding is used to lever in additional sums from across a wide range of sources including the European Structural funds, the wider public sector and private sector investment.
- 14.19** The Welsh Government is currently fulfilling our commitments across the seven Regeneration Areas (Heads of the Valleys, Western Valleys, Mon a Menai, North Wales Coast, Aberystwyth, Swansea and Barry) and legacy programmes including Newport. Investment from our Regeneration Areas budget is used as match funding for European-funded projects; the largest of these projects is part of the Valleys Regional Park, a partnership which we host on behalf of over 40 organisations. We also provide discretionary grants to third sector organisations to promote and facilitate successful regeneration practice, and have a statutory responsibility to fund Cardiff Harbour Authority.
- 14.20** As part of the drive to regenerate deprived areas, an additional £5m has been allocated in 2013-14 for the West Rhyl Housing Redevelopment Scheme, and £1.5m for the restoration of the Merthyr Tydfil Old Town Hall.
- 14.21** We are currently undertaking a policy review of our approaches to regeneration and will be consulting on future delivery and investment proposals over the Autumn. The review will assess the efficacy of the Regeneration Area approach, what has worked well and what hasn't worked as well, and will consider examples of best practice that can inform any future activity. At the core of the review is the commitment of the Welsh Government to encourage a whole Government approach to regeneration and to work in a truly integrated manner, in order to maximise the benefits to communities. The new policy will be announced in February 2013 with plans for a transitional year in 2013-2014 to bridge the gap between Regeneration Areas and the new approach.

Widening our access to our culture, heritage and sport and encouraging greater participation

Arts

- 14.22** The percentage of people attending arts events who are from under-represented groups has been rising since 2006, and the Arts Council for Wales (ACW) is putting more emphasis on supporting organisations to promote active participation in the arts. 'Young Creators', the new ACW strategy for children, young people and the arts was issued in November 2011.
- 14.23** The Housing, Regeneration and Heritage Minister and the Minister for Education and Skills have also initiated a Review of Arts in Education; this will examine the understanding of and involvement in the arts in schools in Wales, and current arts education practice. It will examine what schools are doing to encourage young people to participate in the arts, and to develop their creative skills. It will identify good practice, and make recommendations on how schools, local authorities, arts organisations and the Welsh Government can improve the education outcomes derived from participation in the arts. The Review is due to be concluded by 31 March 2013.

Museums and Libraries

- 14.24** Funding totalling £12m has been secured from the Heritage Lottery Fund for the redevelopment of St. Fagan's National History Museum. The project aims to build on St Fagan's popularity as the UK's favourite visitor attraction and combine the strengths of an open-air museum with those of a conventional museum. The Welsh Government supports this vitally important strategic project for Wales, and has earmarked a total of £7m towards the project.
- 14.25** The Programme for Government sets out our commitment to continue to offer free entry to the seven sites operated by Amgueddfa Cymru – National Museum Wales. This is supported by the grant-in-aid provided to the Museum of £24.6m in 2013-14.
- 14.26** The *Libraries Inspire* strategic development framework for Welsh libraries, launched in November 2011, is aligned to the priorities of Programme for Government and supports greater collaboration in procuring and delivering improved public services. *Libraries Inspire* priorities include modernising public library buildings, developing a library management system for Wales and promoting reading and digital literacy. This is supported by funding of £1.9m in 2013-14.
- 14.27** Developing the potential of digital media to promote culture through *Casgliad y Werin Cymru / People's Collection Wales* and other online initiatives is a Programme for Government commitment. Core Welsh Government funding is provided to the People's Collection Wales lead partners who deliver this innovative programme. The website and supporting programme of activities explore new and exciting ways of collecting, exploring, discovering and sharing the stories of Wales and its people. This is supported by funding of £0.65m in 2013-14.

Cadw

- 14.28** We will provide funding of £14.2m in 2013-14 to support Cadw, the Welsh Government's historic environment service. Cadw is charged with protecting our heritage, which includes World Heritage Sites, listed buildings and scheduled monuments. Cadw also works to sustain the distinctive character of our towns and landscape and helps people understand and care about their place and history. We recognise the importance in economic and social terms of this contribution and are committed to its ongoing programmes of work. In addition, we are committed to the delivery of the £19m Heritage Tourism Project which will improve access and visitor experience at many of our monuments.

Sport

- 14.29** As part of the Creating an Active Wales Action Plan, we are investing in community sport and building stronger links between school and club sport. Our free swimming programmes now emphasise structured activities to help more young people to swim and encourage them to participate more regularly in sport and physical recreation throughout their lives. This programme is supported by funding of £3.5m in 2013-14.
- 14.30** We have plans in place to capture the interest people have shown in sport during and after London 2012 to increase participation. Our investments through Sport Wales will drive forward our commitments to increase participation and to achieve success on the world stage. Our Community Sport Strategy will create better quality sporting opportunities in our communities. Our Coaching Strategy will deliver the leaders, volunteers and coaches who are essential to sport at all levels and our Elite Sport Strategy is investing in our teams and athletes so that Wales continues to enjoy the type of success we experienced in the London 2012 Olympic and Paralympic Games. We will also seek to enhance the opportunities in schools to better equip children and young people with the skills, confidence and motivation to enjoy a lifetime of sport and physical activity.

Legislative Programme

- 14.31** The Housing Bill will contain a wide range of provisions to improve housing in Wales. These will include: provisions to improve standards in the private rented sector by introducing a licensing scheme for all private landlords; and amendments to homelessness legislation to place the emphasis on preventing homelessness and improving the help available to those who become homeless.
- 14.32** The Bill will contain provisions to enable local authorities to charge a higher rate of council tax on long term empty properties and remove legislative barriers to improve the ability of co-operative organisations and community land trusts to provide new forms of affordable housing.
- 14.33** It is also intended to place a duty on local authorities to provide official sites for Gypsies and Travellers where a local need has been established.

14.34 A second Housing Bill, the Renting Homes (Wales) Bill, will result in simpler and more effective housing law for tenants, potential tenants, and landlords alike. Based on work by the Law Commission, it will ensure greater understanding of the rights and responsibilities of tenants and landlords. Ensuring a more consistent approach will also achieve a more flexible housing system, making it easier for people to move between social housing and private rented accommodation. There has been a consensus, to date, amongst stakeholders that the Law Commission's proposals are right for Wales.

14.35 The proposed Heritage Bill and associated policy activity aims to provide a more modern, streamlined, transparent and accountable system of heritage protection which will help conserve for sustainable uses the historic assets which make Wales distinctive and special. It will aim to ensure that the designation process involves owners and is not 'shrouded in mystery' as has been the perception previously. In addition, it will seek to help provide solutions for heritage assets at risk.

Delivery Partners

14.36 The Housing, Regeneration and Heritage Department will work closely with a number of partners to deliver for the people of Wales. In 2013-14:

- we will provide Social Housing Grant funding totalling £53.1m to Registered Social Landlords to build houses;
- we will provide General Capital Funding to local authorities, which forms part of the overall Local Government Settlement, of £37.5m for Housing and £10.9m for Regeneration;
- we will provide Housing Renewal Areas funding to local authorities of £11.5m; and
- we will provide funding to local authorities from the CyMAL grant scheme to refurbish libraries across Wales.

14.37 In addition, we will continue to provide funding for delivery by our Welsh Government Sponsored Bodies - the Arts Council for Wales, Amgueddfa Cymru – National Museum Wales, the National Library of Wales, Royal Commission on Ancient and Historic Monuments and Sport Wales:

- we recognise the vital importance of the arts to Wales and the contribution it can make to the quality of people's lives. We will maintain arts funding at a level previously announced for 2013-14. Total funding to the Arts Council for Wales for 2013-14 will be £34m. We will also continue to provide financial support to the National Botanic Garden of Wales, of £0.8m;
- our funding for Amgueddfa Cymru – National Museum Wales (£24.6m) and the National Library of Wales (£11.0m) will enable us to retain our policy of free entry to our national museum sites and enable the Library to prepare for the introduction of electronic legal deposit – a new statutory duty in 2013. We will also continue to provide financial support and strategic leadership to local museums, archives and libraries via CyMAL, recognising the significant

contribution these services make to our local communities. They enhance people's access to information, lifelong learning opportunities and our cultural heritage, and support tourism in Wales. Funding for the Royal Commission for Ancient and Historic Monuments in 2013-14 will be £2m;

- we also recognise the huge benefits that sport and physical activity can bring on a range of different levels, including the improved health and well-being of individuals. In support of this, we are committed to retaining our free swimming commitment, and total funding for Sport Wales in 2013-14 will be £24.1m.

Table 14.1 – Housing, Regeneration and Heritage Resource Allocations

	£000s							
	2012-13 ¹⁴		2013-14		2014-15			
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Revenue DEL Budget								
Housing Policy	150,493	151,091	-355	150,736	151,091	-350	150,741	
Homes and Places	15,038	15,098	2,180	17,278	15,098	2,180	17,278	
Support and sustain a strong arts sector via the Arts Council and others	34,802	35,643	0	35,643	35,643	0	35,643	
Museums, Archives and Libraries	37,436	37,445	0	37,445	37,445	0	37,445	
Delivery of effective sports & physical activity programmes	24,923	24,853	0	24,853	24,899	0	24,899	
Media and Publishing	3,980	3,926	0	3,926	3,926	0	3,926	
Conserve, protect, sustain and promote access to the historic environment	11,658	11,541	0	11,541	11,541	0	11,541	
Total Revenue DEL	278,330	279,597	1,825	281,422	279,643	1,830	281,473	
Revenue AME Budget								
Museums, Archives and Libraries	2,490	2,740	0	2,740	2,740	0	2,740	
Housing	-68,000	-55,000	-16,000	-71,000	-55,000	-16,000	-71,000	
Total Revenue AME	-65,510	-52,260	-16,000	-68,260	-52,260	-16,000	-68,260	
Total Managed Expenditure (TME)	212,820	227,337	-14,175	213,162	227,383	-14,170	213,213	

¹⁴ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 14.2 – Housing, Regeneration and Heritage Capital Allocations

		£000s					
		2012-13 ¹⁵		2013-14		2014-15	
Capital DEL Budget	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget
Housing Policy	1,641	1,641	0	1,641	1,641	0	1,641
Homes and Places	302,566	251,029	12,500	263,529	251,029	6,000	257,029
Support and sustain a strong arts sector via the Arts Council and others	455	450	0	450	450	0	450
Museums, Archives and Libraries	3,973	4,043	0	4,043	4,043	0	4,043
Delivery of effective sports & physical activity programmes	345	345	0	345	345	0	345
Media and Publishing	25	25	0	25	25	0	25
Conserve, protect, sustain and promote access to the historic environment	5,313	5,031	0	5,031	5,031	0	5,031
Total Capital DEL	314,318	262,564	12,500	275,064	262,564	6,000	268,564
Capital AME Budget	0	0	0	0	0	0	0
Total Capital AME	0	0	0	0	0	0	0
Total Managed Expenditure (TME)	314,318	262,564	12,500	275,064	262,564	6,000	268,564

¹⁵ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

15. Central Services and Administration

Summary of Budget Changes

15.1 Compared to indicative plans for 2013-14 and 2014-15 published in the Final Budget 2012-13, the total DEL allocation for Central Services and Administration has increased by £16.4m in 2013-14 and £18.9m in 2014-15.

15.2 This increase is primarily the result of changes we have made to the presentation of information in the Draft Budget relating to the Invest to Save Fund. In line with our commitment to provide greater transparency around Budget information and to support the scrutiny process, we are showing for the first time in the Draft Budget details of the repayments of previous investments from the Invest-to-Save fund. As a result there is an increase of £13.1m in 2013-14 and £9.5m in 2014-15 compared with indicative plans.

15.3 The net increase of £16.4m to the resource budget also includes the following transfers:

- A recurrent transfer of £1.3m from the Education and Skills MEG to cover administration costs of the former Welsh Language Board which was abolished at the end of March 2012;
- A recurrent transfer of £2m transfer from the Health, Social Services and Children's MEG in respect of the Mental Health Tribunal;
- £0.2m transfer in 2013-14 and 2014-15 from the Housing, Regeneration and Housing MEG in respect of the Residential Property Tribunal;
- £2m transfer from Central Reserves for the Invest-to-Save fund (£8m in 2014-15);
- £1.6m transfer in 2013-14 and 2014-15 from the Local Government and Communities MEG in respect of the pan-government agreement on digital mapping;
- £1.8m out to the Department for Business, Innovation and Skills in respect of the pan-government agreement on digital mapping (£1.7m in 2014-15); and
- £2m transfer out to the Housing, Regeneration and Heritage MEG to support a new mechanism to increase investment in social housing.

15.4 There is no change to the overall capital budget.

15.5 The AME budget will increase by £3m from 2013-14 to account for notional pension charges.

Overview of Portfolio

15.6 The focus of the Central Services and Administration MEG is to deliver an effective, accountable, devolved Government. The budget covers a

broad range of functions, including running costs for the Welsh Government, other central service costs, and pan-government information services and programmes. It also includes a number of budget lines to support the delivery of outcomes which are the direct responsibility of either the First Minister or the Minister for Finance and Leader of the House.

Budget Priorities

- 15.7** The Central Services and Administration budget supports portfolio Departments to deliver the commitments as set out in the Programme for Government. This includes providing staff resources and associated accommodation, IT, central support functions and information services.
- 15.8** Our key priority is to ensure resources are aligned to best deliver the Programme for Government and we have implemented a number of initiatives to reduce costs in a coherent and balanced way. These initiatives include efforts to reduce staff costs, reduce non-pay administrative costs through Managing with Less, and the rationalisation of our administrative office.
- 15.9** We have already reduced our workforce by nearly 1,000 full time equivalent staff between March 2010 and March 2012 through a combination of voluntary severance and the implementation of internal controls (for example restricting external recruitment). To reflect this, the staff costs budget will reduce by £10.2m between 2012-13 and 2013-14.
- 15.10** This, along with the introduction of new ways of working, has enabled us to implement an estate rationalisation programme which has seen the number of Welsh Government administrative buildings reduce from 75 in April 2010 to 52 in April 2012 (with plans to reduce by a further 10 by April 2013).
- 15.11** The Programme for Government sets out the Welsh Government's aim to **create a fair society free from discrimination, harassment and victimisation, with cohesive and inclusive communities**. There are number of programmes within the MEG which support this agenda, including:

More inclusive and cohesive communities

- 15.12** We are continuing to provide £0.2m in 2013-14 for Community Cohesion. This funding will provides eight Community Cohesion Regional Co-ordinator posts throughout Wales across regional areas, in line with the Welsh Government's public service footprint for regional collaboration. These roles will help to strengthen community cohesion by developing a sustainable and strategic approach. The Co-ordinators will require strong support from local authorities to ensure that the principles of community cohesion can be mainstreamed to impact within both policy and service delivery. The Welsh Government is working with local

authorities to provide outcomes so that tangible deliverables can be achieved by 2014.

15.13 We are continuing to provide £1m in 2013-14 to support the Welsh Government's Digital Inclusion Programme, which supports individuals, communities and enterprises to engage with digital technologies. It prioritises support to the most digitally excluded groups in society, including older and disabled people, the unemployed and people living in social housing, by helping them overcome barriers, building their confidence and creating opportunities for them to use new skills. In a modern society, the need to be digitally included is fast becoming a necessity.

15.14 We are also providing £1.5m in 2013-14 to support the Gypsy and Traveller Sites Grant. This grant can be used to refurbish, expand, relocate or develop Gypsy and Traveller Sites and aims to improve the life and standard of living for Gypsy and Traveller residents throughout Wales.

Advance equality of opportunity and tackle discrimination

15.15 Wales is unique among the home countries in having specific Equalities duties relating to public sector procurement. Value Wales has worked with the Equality and Human Rights Commission to develop guidance for the public sector on these duties and with the Welsh Language Board on ***Contracting out public service contracts and the Welsh language***.

15.16 Value Wales ensures that best practice is applied to all internal Welsh Government procurement and to collaborative activity led centrally. The wider public sector in Wales is strongly encouraged to adopt this best practice approach with their own procurement.

15.17 To meet the commitments with the Programme for Government and to align priorities to the Welsh Government's Strategic Equality Plan, there will be a public consultation on the future use of the Advancing Equality Fund and Inclusion Grant which will begin this autumn in readiness for 2013-14. These grants currently stand at £1.6m in 2013-14.

15.18 Organisations currently receiving grant from the Advancing Equality Fund and Inclusion Grant have been informed that their grant award has been extended until the end of September 2013. This will allow a comprehensive consultation exercise on the proposals for 2013-14 and beyond. An Equality Impact assessment has been undertaken for both grants taking into account the 6 months extension of both schemes into 2013-14.

International Activities

15.19 We continue to support **Wales as a Fair Trade Country** and the **Wales for Africa** programme which aims to support sustainable development

and international learning and have allocated £0.8m in 2013-14 to deliver on these commitments.

15.20 We have also continued to support international activities aimed at raising the profile of Wales and developing international relationships in line with the Welsh Government's strategic objectives and have allocated £1.2m in 2013-14.

Delivery Partners

15.21 The Central Services and Administration budget sponsors external delivery partners through the Advancing Equality Fund, Inclusions Grant and Community Cohesion budget.

Table 15.1 – Central Services and Administration Resource Allocations

Revenue DEL Budget	£000s							
	2012-13 ¹⁶		2013-14			2014-15		
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Delegated Running Costs	205,613	194,099	1,273	195,372	194,099	1,273	195,372	
Central Running Costs	91,429	88,083	533	88,616	88,083	552	88,635	
Information & Support Services	23,016	11,035	1,473	12,508	11,035	1,573	12,608	
Central Programmes	14,361	13,682	13,118	26,800	13,682	15,495	29,177	
Total Revenue DEL	334,419	306,899	16,397	323,296	306,899	18,893	325,792	
Revenue AME Budget								
Central Running Costs	-1,842	-1,366	3,000	1,634	-848	3,000	2,152	
Total Revenue AME	-1,842	-1,366	3,000	1,634	-848	3,000	2,152	
Total Managed Expenditure (TME)	332,577	305,533	19,397	324,930	306,051	21,893	327,944	

¹⁶ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 15.2 – Central Services and Administrations Capital Allocations

Capital DEL Budget	£000s							
	2012-13 ¹⁷		2013-14			2014-15		
	Baseline	Indicative Plans Final Budget 2013-14	Changes	New Plans Draft Budget	Indicative Plans Final Budget 2014-15	Changes	New Plans Draft Budget	
Central Running Costs	11,145	9,935	0	9,935	9,935	0	9,935	
Central Programmes	17,319	15,378	0	15,378	15,378	0	15,378	
Total Capital DEL	28,464	25,313	0	25,313	25,313	0	25,313	
Capital AME Budget	0	0	0	0	0	0	0	
Total Capital AME	0	0	0	0	0	0	0	
Total Managed Expenditure (TME)	28,464	25,313	0	25,313	25,313	0	25,313	

¹⁷ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Annex A – Reconciliation between Administrative Budget and Resource Allocations in the Draft Budget Proposals

Table 16.1 Health, Social Services and Children

	2013-14	2014-15
DEL		
Resource	6,091,746	6,095,540
Capital	243,550	243,550
AME		
Resource	94,574	213,428
Capital	0	0
Total Managed Expenditure	6,429,870	6,552,518
Reconciliation to Resources		
Resource Consumption of WGSBs and NHS bodies	-204,574	-323,428
Supported Borrowing	-3,602	-3,602
National Insurance Fund Receipts (and collection costs)	-887,859	-887,859
Resources requested	5,333,835	5,337,629

Table 16.2 Local Government and Communities

	2013-14	2014-15
DEL		
Resource	4,899,317	4,926,458
Capital	252,519	278,219
AME		
Resource	52,406	53,434
Capital	0	0
Total Managed Expenditure	5,204,242	5,258,111
Reconciliation to Resources		
Resource Consumption of WGSBs and NHS bodies	-400	-400
Supported Borrowing	-10,336	-10,336
National Non Domestic Rates payable (and collection costs)	-949,172	-949,172
PFI	-7,566	-7,786
Resources requested	4,236,768	4,290,417

Table 16.3 Business, Enterprise, Technology and Science

	2013-14	2014-15
DEL		
Resource	182,299	183,628
Capital	92,070	89,370
AME		
Resource	20,000	20,000
Capital	0	0
Total Managed Expenditure	294,369	292,998
Reconciliation to Resources		
Direct Charges on the Welsh Consolidated Fund	-1,686	-1,677
Resources requested	292,683	291,321

Table 16.4 Education and Skills

	2013-14	2014-15
DEL		
Resource	1,673,799	1,681,634
Capital	177,134	153,834
AME		
Resource	-87,261	-102,553
Capital	264,130	285,702
Total Managed Expenditure	2,027,802	2,018,617
Reconciliation to Resources		
Resource Consumption of WGSBs and NHS Bodies	-82	-82
Supported Borrowing	-33,781	-33,781
Resources requested	1,993,939	1,984,754

Table 16.5 Environment and Sustainable Development

	2013-14	2014-15
DEL		
Resource	264,455	265,856
Capital	62,311	62,267
AME		
Resource	0	0
Capital	0	0
Total Managed Expenditure	326,766	328,123
Reconciliation to Resources		
Resource Consumption of WGSBs and NHS Bodies	-3,090	-3,090
Supported Borrowing	-9,741	-9,741
Resources requested	313,935	315,292

Table 16.6 Housing, Regeneration and Heritage

	2013-14	2014-15
DEL		
Resource	281,422	281,473
Capital	275,064	268,564
AME		
Resource	-68,260	-68,260
Capital	0	0
Total Managed Expenditure	488,226	481,777
Reconciliation to Resources		
Resource Consumption of WGSBs and NHS Bodies	-6,008	-6,008
Supported Borrowing	-31,340	-31,340
Resources requested	450,878	444,429

Table 16.7 Central Services and Administration

	2013-14	2014-15
DEL		
Resource	323,296	325,792
Capital	25,313	25,313
AME		
Resource	1,634	2,152
Capital	0	0
Total Managed Expenditure	350,243	353,257
Reconciliation to Resources		
Direct Charges on the Welsh Consolidated Fund	-92	-92
Resources requested	350,151	353,165

Annex B – Reconciliation of Budget Structure for Housing, Regeneration and Heritage MEG

Table 17.1 Resource Budget

SPA	Action	2012-13 Budget ¹⁸	2013-14 Indicative Plans Final Budget November 2011	2014-15 Indicative Plans Final Budget November 2011	Comments
Housing Policy SPA	Supporting People	135,978	136,558	136,558	£135,978k transferred from <i>Enable people to live independent lives</i> for 2012/13, and £136,558k for 2013/14 and 2014/15.
	Homelessness	7,150	7,181	7,181	Renamed Action title, previously called <i>Tackle Homelessness</i> . Budgets unchanged.
	Independent Living	5,101	5,123	5,123	New Action. £5,101k transferred from <i>Enable people to live independent lives</i> for 2012/13, and £5,123k for 2013/14 and 2014/15.
	Policy Development and Implementation	2,264	2,229	2,229	£2,264k transferred from <i>Develop housing policy, legislation and regulation</i> for 2012/13, and £2,229k for 2013/14 and 2014/15.
	Total Housing Policy	150,493	151,091	151,091	
Homes & Places SPA	Achieve quality housing	274	274	274	Unchanged.
	Increase the supply and choice of housing	95	95	95	Unchanged.
	Policy research and evaluation	285	332	332	£285k transferred from <i>Policy development and implementation</i> for 2012/13 and £332k for 2013/14 and 2014/15.

¹⁸ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

	Regeneration	14,384	14,397	14,397	Transfers in from 2 Actions: 1. £6,184k transferred from <i>Implementation of Strategic Regeneration Areas</i> for 2012/13, and £6,397k for 2013/14 and 2014/15. 2. £8,200k transferred from <i>Manage Delivery of Legacy Regeneration Areas</i> for 2012/13, and £8,000k for 2013/14 and 2014/15.
	Total Homes and Places	15,038	15,098	15,098	
	Total Housing Policy & Homes and Places	165,531	166,189	166,189	

Table 17.2 Capital Budget

SPA	Action	2012-13 Budget ¹⁹	2013-14 Indicative Plans Final Budget November 2011	2014-15 Indicative Plans Final Budget November 2011	Comments
Housing Policy SPA	Independent Living	1,641	1,641	1,641	£1,641k transferred from <i>Enable people to live independent lives</i> for 2012/13, 2013/14 and 2014/15.
	Total Housing Policy	1,641	1,641	1,641	
Homes & Places SPA	Achieve quality housing	169,444	157,007	157,007	Unchanged.
	Increase the supply and choice of housing	76,515	48,134	48,134	Unchanged.
	Regeneration	56,607	45,888	45,888	Transfers in from 3 Actions: 1. £41,630k transferred from <i>Implementation of Strategic Regeneration Areas</i> for 2012/13, and £33,000k for 2013/14 and 2014/15. 2. £3,400k transferred from <i>Manage Delivery of Legacy Regeneration Areas</i> for 2012/13, and £2,000k for 2013/14 and 2014/15. 3. £11,577k transferred from <i>Regeneration & Other Local Services - General Capital Funding</i> for 2012/13, and £10,888k for 2013/14 and 2014/15.
	Total Homes and Places	302,566	251,029	251,029	
	Total Housing Policy & Homes and Places	304,207	252,670	252,670	

¹⁹ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Annex C – Year-on-Year Changes to Main Expenditure Group Allocations²⁰

Table 18.1 Health, Social Services and Children MEG Resource Allocations

Revenue DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change (Cash)	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
NHS Delivery	5,505,426	5,494,916	-0.2%	-2.6%	5,489,435	-0.1%	-2.5%	
Health Central Budgets	227,920	228,904	0.4%	-2.0%	228,179	-0.3%	-2.7%	
Public Health & Prevention	157,071	158,001	0.6%	-1.9%	158,001	0.0%	-2.4%	
Social Services	181,475	199,763	10.1%	7.4%	209,763	5.0%	2.4%	
CAF/CASS Cymru	9,635	10,162	5.5%	2.9%	10,162	0.0%	-2.4%	
Total Revenue DEL	6,081,527	6,091,746	0.2%	-2.3%	6,095,540	0.1%	-2.4%	
Revenue AME Budget								
NHS Impairments	201,710	94,574	-53.1%	-54.3%	14,036	-85.2%	-85.5%	
Total Revenue AME	201,710	94,574	-53.1%	-54.3%	14,036	-85.2%	-85.5%	
Total Managed Expenditure (TME)	6,283,237	6,186,320	-1.5%	-3.9%	6,109,576	-1.2%	-3.6%	

²⁰ The baseline figures for 2012-13 are as at the Supplementary Budget approved by the Assembly in July.

Table 18.2 Health, Social Services and Children MEG Capital Allocations

Capital DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	New Plans Draft Budget	Year on Year % Change (Real)
NHS Delivery	245,699	217,275	-11.6%	-13.7%	225,275	3.7%	225,275	1.2%
Health Central Budgets	5,690	5,072	-10.9%	-13.0%	5,072	0.0%	5,072	-2.4%
Public Health & Prevention	5,039	4,492	-10.9%	-13.0%	4,492	0.0%	4,492	-2.4%
Social Services	5,285	16,711	216.2%	208.5%	8,711	-47.9%	8,711	-49.1%
Total Capital DEL	261,713	243,550	-6.9%	-9.2%	243,550	0.0%	243,550	-2.4%
Capital/AME Budget	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Capital AME	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Managed Expenditure (TME)	261,713	243,550	-6.9%	-9.2%	243,550	0.0%	243,550	-2.4%

Table 18.3 Local Government and Communities MEG Resource Allocations

Revenue DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Local Government Funding	4,239,269	4,325,747	2.0%	-0.4%	4,352,147	0.6%	-1.8%	
Supporting Communities and People	53,963	52,064	-3.5%	-5.9%	52,064	0.0%	-2.4%	
Safer Communities	16,551	16,701	0.9%	-1.6%	16,701	0.0%	-2.4%	
Improving Services, Collaboration and Democracy	41,896	40,979	-2.2%	-4.6%	40,979	0.0%	-2.4%	
Care and Social Services Inspectorate	15,190	14,461	-4.8%	-7.1%	14,461	0.0%	-2.4%	
Healthcare Inspectorate Wales	2,722	2,591	-4.8%	-7.1%	2,591	0.0%	-2.4%	
Estyn	12,968	12,364	-4.7%	-7.0%	12,364	0.0%	-2.4%	
Motorway & Trunk Road Network Operations	168,951	174,212	3.1%	0.6%	173,574	-0.4%	-2.8%	
Rail & Air Services	173,971	173,179	-0.5%	-2.9%	173,179	0.0%	-2.4%	
Sustainable Travel	95,091	82,302	-13.4%	-15.6%	83,685	1.7%	-0.8%	
Improve Road Safety	5,716	4,717	-17.5%	-19.5%	4,713	-0.1%	-2.5%	
Total Revenue DEL	4,826,288	4,899,317	1.5%	-1.0%	4,926,458	0.6%	-1.9%	
Revenue AME Budget								
Local Government Funding	20,717	24,488	18.2%	15.3%	24,488	0.0%	-2.4%	
Motorway & Trunk Road Network Operations	30,668	27,918	-9.0%	-11.2%	28,946	3.7%	1.2%	
Total Revenue AME	51,385	52,406	2.0%	-0.5%	53,434	2.0%	-0.5%	
Total Managed Expenditure (TME)	4,877,673	4,951,723	1.5%	-1.0%	4,979,892	0.6%	-1.9%	

Table 18.4 Local Government and Communities MEG Capital Allocations

Capital DEL Budget	£000s							
	2012-13	2013-14		2014-15		New Plans Draft Budget	Year on Year % Change (Real)	Year on Year % Change (Real)
	Baseline	New Plans Draft Budget	Year on Year % Change	New Plans Draft Budget	Year on Year % Change			
Local Government Funding	20,000	20,000	0.0%	20,000	0.0%	20,000	0.0%	-2.4%
Supporting Communities and People	14,774	10,950	-25.9%	10,950	-27.7%	10,950	0.0%	-2.4%
Safer Communities	3,339	2,639	-21.0%	2,639	-22.9%	2,639	0.0%	-2.4%
Estyn	315	281	-10.8%	281	-13.0%	281	0.0%	-2.4%
Motorway & Trunk Road Network Operations	55,366	48,551	-12.3%	48,551	-14.4%	63,204	30.2%	27.0%
Road & Rail Investment	96,694	107,891	11.6%	107,891	8.9%	121,046	12.2%	9.5%
Sustainable Travel	43,826	41,640	-5.0%	41,640	-7.3%	39,532	-5.1%	-7.4%
Improve & Maintain Local Roads Infrastructure	28,137	13,667	-51.4%	13,667	-52.6%	13,667	0.0%	-2.4%
Improve Road Safety	6,900	6,900	0.0%	6,900	-2.4%	6,900	0.0%	-2.4%
Total Capital DEL	269,351	252,519	-6.2%	252,519	-8.5%	278,219	10.2%	7.5%
Capital AME Budget	0	0	0.0%	0	0.0%	0	0.0%	0.0%
Total Capital AME	0	0	0.0%	0	0.0%	0	0.0%	0.0%
Total Managed Expenditure (TME)	269,351	252,519	-6.2%	252,519	-8.5%	278,219	10.2%	7.5%

Table 18.5 Business, Enterprise, Technology and Science MEG Resource Allocations

Revenue DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Sectors and Business	50,722	55,872	10.2%	7.5%	55,324	-1.0%	-3.4%	
Science and Innovation	10,656	14,269	33.9%	30.6%	14,895	4.4%	1.8%	
Regional Funding	0	0	0.0%	0.0%	0	0.0%	0.0%	
Finance Wales	0	0	0.0%	0.0%	0	0.0%	0.0%	
Major Events	4,831	4,740	-1.9%	-4.3%	4,740	0.0%	-2.4%	
Marketing	0	0	0.0%	0.0%	0	0.0%	0.0%	
Infrastructure	22,415	20,642	-7.9%	-10.2%	22,171	7.4%	4.8%	
Strategy & Corporate Programmes	12,478	10,138	-18.8%	-20.7%	10,060	-0.8%	-3.2%	
WEFO	1,522	1,522	0.0%	-2.4%	1,522	0.0%	-2.4%	
Rural Affairs	74,246	75,116	1.2%	-1.3%	74,916	-0.3%	-2.7%	
Tourism	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Revenue DEL	176,870	182,299	3.1%	0.6%	183,628	0.7%	-1.7%	
Revenue AME Budget								
Infrastructure	41,402	20,000	-51.7%	-52.9%	20,000	0.0%	-2.4%	
Total Revenue AME	41,402	20,000	-51.7%	-52.9%	20,000	0.0%	-2.4%	
Total Managed Expenditure (TME)	218,272	202,299	-7.3%	-9.6%	203,628	0.7%	-1.8%	

Table 18.6 Business, Enterprise, Technology and Science MEG Capital Allocations

Capital DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Sectors and Business	68,832	46,519	-32.4%	-34.1%	46,144	-0.8%	-3.2%	
Science and Innovation	1,107	2,613	136.0%	130.3%	2,979	14.0%	11.2%	
Regional Funding	0	0	0.0%	0.0%	0	0.0%	0.0%	
Finance Wales	0	0	0.0%	0.0%	0	0.0%	0.0%	
Infrastructure	11,031	28,456	158.0%	151.7%	28,456	0.0%	-2.4%	
Strategy & Corporate Programmes	1,917	59	-96.9%	-97.0%	68	15.3%	12.4%	
Rural Affairs	15,469	14,423	-6.8%	-9.0%	11,723	-18.7%	-20.7%	
Tourism	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Capital DEL	98,356	92,070	-6.4%	-8.7%	89,370	-2.9%	-5.3%	
Capital AME Budget	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Capital AME	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Managed Expenditure (TME)	98,356	92,070	-6.4%	-8.7%	89,370	-2.9%	-5.3%	

Table 18.7 Education and Skills MEG Resource Allocations

	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Revenue DEL Budget								
Education and Training Standards	1,166,961	1,184,252	1.5%	-1.0%	1,189,052	0.4%	-2.0%	
Skilled Workforce	89,649	81,403	-9.2%	-11.4%	81,403	0.0%	-2.4%	
Economic & Social Wellbeing & Reducing Inequality	390,752	379,019	-3.0%	-5.4%	382,054	0.8%	-1.7%	
Welsh Language	24,976	25,076	0.4%	-2.0%	25,076	0.0%	-2.4%	
Delivery Support	4,191	4,049	-3.4%	-5.7%	4,049	0.0%	-2.4%	
Total Revenue DEL	1,676,529	1,673,799	-0.2%	-2.6%	1,681,634	0.5%	-2.0%	
Revenue AME Budget								
Economic & Social Wellbeing & Reducing Inequality	-89,033	-87,261	-2.0%	-4.4%	-102,553	17.5%	14.7%	
Total Revenue AME	-89,033	-87,261	-2.0%	-4.4%	-102,553	17.5%	14.7%	
Total Managed Expenditure (TME)	1,587,496	1,586,538	-0.1%	-2.5%	1,579,081	-0.5%	-2.9%	

Table 18.8 Education and Skills MEG Capital Allocations

Capital DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Education and Training Standards	178,293	177,134	-0.7%	-3.1%	153,834	-13.2%	-15.3%	
Welsh Language	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Capital DEL	178,293	177,134	-0.7%	-3.1%	153,834	-13.2%	-15.3%	
Capital AME Budget								
Economic & Social Wellbeing & Reducing Inequality	267,342	264,130	-1.2%	-3.6%	285,702	8.2%	5.5%	
Total Capital AME	267,342	264,130	-1.2%	-3.6%	285,702	8.2%	5.5%	
Total Managed Expenditure (TME)	445,635	441,264	-1.0%	-3.4%	439,536	-0.4%	-2.8%	

Table 18.9 Environment and Sustainable Development MEG Resource Allocations

Revenue DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Climate Change and Sustainability	115,855	120,118	3.7%	1.2%	123,885	3.1%	0.6%	
Environment	80,887	97,216	20.2%	17.3%	95,704	-1.6%	-4.0%	
Planning	7,403	7,090	-4.2%	-6.6%	7,090	0.0%	-2.4%	
Protecting and Improving Animal Health and Welfare	39,454	38,895	-1.4%	-3.8%	38,041	-2.2%	-4.6%	
Evidence Base	354	1,136	220.9%	213.1%	1,136	0.0%	-2.4%	
Forestry	21,200	0	-100.0%	-100.0%	0	0.0%	0.0%	
Total Revenue DEL	265,153	264,455	-0.3%	-2.7%	265,856	0.5%	-1.9%	
Revenue AME Budget	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Revenue AME	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Managed Expenditure (TME)	265,153	264,455	-0.3%	-2.7%	265,856	0.5%	-1.9%	

Table 18.10 Environment and Sustainable Development MEG Capital Allocations

Capital DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Climate Change and Sustainability	69,936	58,628	-16.2%	-18.2%	58,584	-0.1%	-2.5%	
Environment	5,600	3,645	-34.9%	-36.5%	3,645	0.0%	-2.4%	
Evidence Base	38	38	0.0%	-2.4%	38	0.0%	-2.4%	
Forestry	-205	0	-100.0%	-100.0%	0	0.0%	0.0%	
Total Capital DEL	75,369	62,311	-17.3%	-19.3%	62,267	-0.1%	-2.5%	
Capital AME Budget	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Capital AME	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Managed Expenditure (TME)	75,369	62,311	-17.3%	-19.3%	62,267	-0.1%	-2.5%	

Table 18.11 Housing, Regeneration and Heritage MEG Resource Allocations

	£000s							
	2012-13		2013-14				2014-15	
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Revenue DEL Budget								
Housing Policy	150,493	150,736	0.2%	-2.3%	150,741	0.0%	-2.4%	
Homes and Places	15,038	17,278	14.9%	12.1%	17,278	0.0%	-2.4%	
Support and sustain a strong arts sector via the Arts Council and others	34,802	35,643	2.4%	-0.1%	35,643	0.0%	-2.4%	
Museums, Archives and Libraries	37,436	37,445	0.0%	-2.4%	37,445	0.0%	-2.4%	
Delivery of effective sports & physical activity programmes	24,923	24,853	-0.3%	-2.7%	24,899	0.2%	-2.3%	
Media and Publishing	3,980	3,926	-1.4%	-3.8%	3,926	0.0%	-2.4%	
Conserve, protect, sustain and promote access to the historic environment	11,658	11,541	-1.0%	-3.4%	11,541	0.0%	-2.4%	
Total Revenue DEL	278,330	281,422	1.1%	-1.4%	281,473	0.0%	-2.4%	
Revenue AME Budget								
Museums, Archives and Libraries	2,490	2,740	10.0%	7.4%	2,740	0.0%	-2.4%	
Housing	-68,000	-71,000	4.4%	1.9%	-71,000	0.0%	-2.4%	
Total Revenue AME	-65,510	-68,260	4.2%	1.7%	-68,260	0.0%	-2.4%	
Total Managed Expenditure (TME)	212,820	213,162	0.2%	-2.3%	213,213	0.0%	-2.4%	

Table 18.12 Housing, Regeneration and Heritage MEG Capital Allocations

Capital DEL Budget	£000s							
	2012-13		2013-14			2014-15		
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	
Housing Policy	1,641	1,641	0.0%	-2.4%	1,641	0.0%	-2.4%	
Homes and Places	302,566	263,529	-12.9%	-15.0%	257,029	-2.5%	-4.8%	
Support and sustain a strong arts sector via the Arts Council and others	455	450	-1.1%	-3.5%	450	0.0%	-2.4%	
Museums, Archives and Libraries	3,973	4,043	1.8%	-0.7%	4,043	0.0%	-2.4%	
Delivery of effective sports & physical activity programmes	345	345	0.0%	-2.4%	345	0.0%	-2.4%	
Media and Publishing	25	25	0.0%	-2.4%	25	0.0%	-2.4%	
Conserve, protect, sustain and promote access to the historic environment	5,313	5,031	-5.3%	-7.6%	5,031	0.0%	-2.4%	
Total Capital DEL	314,318	275,064	-12.5%	-14.6%	268,564	-2.4%	-4.7%	
Capital AME Budget	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Capital AME	0	0	0.0%	0.0%	0	0.0%	0.0%	
Total Managed Expenditure (TME)	314,318	275,064	-12.5%	-14.6%	268,564	-2.4%	-4.7%	

Table 18.13 Central Services and Administration MEG Resource Allocations

Revenue DEL Budget	£000s							
	2012-13	2013-14		2014-15		2014-15	2014-15	2014-15
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	Year on Year % Change (Real)
Delegated Running Costs	205,613	195,372	-5.0%	-7.3%	195,372	0.0%	0.0%	-2.4%
Central Running Costs	91,429	88,616	-3.1%	-5.4%	88,635	0.0%	0.0%	-2.4%
Information & Support Services	23,016	12,508	-45.7%	-47.0%	12,608	0.8%	0.8%	-1.7%
Central Programmes	14,361	26,800	86.6%	82.1%	29,177	8.9%	8.9%	6.2%
Total Revenue DEL	334,419	323,296	-3.3%	-5.7%	325,792	0.8%	0.8%	-1.7%
Revenue AME Budget								
Central Running Costs	-1,842	1,634	-188.7%	-186.5%	2,152	31.7%	31.7%	28.5%
Total Revenue AME	-1,842	1,634	-188.7%	-186.5%	2,152	31.7%	31.7%	28.5%
Total Managed Expenditure (TME)	332,577	324,930	-2.3%	-4.7%	327,944	0.9%	0.9%	-1.5%

Table 18.14 Central Services and Administrations MEG Capital Allocations

	£000s							
	2012-13		2013-14		2014-15			
	Baseline	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	New Plans Draft Budget	Year on Year % Change	Year on Year % Change (Real)	Year on Year % Change (Real)
Capital DEL Budget								
Central Running Costs	11,145	9,935	-10.9%	-13.0%	9,935	0.0%	-2.4%	-2.4%
Central Programmes	17,319	15,378	-11.2%	-13.4%	15,378	0.0%	-2.4%	-2.4%
Total Capital DEL	28,464	25,313	-11.1%	-13.2%	25,313	0.0%	-2.4%	-2.4%
Capital AME Budget	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Total Capital AME	0	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Total Managed Expenditure (TME)	28,464	25,313	-11.1%	-13.2%	25,313	0.0%	-2.4%	-2.4%

Annex D – Alignment between Programme for Government and Budget

Table 19.1 Health, Social Services and Children

Budget Action	DEL Budget 2013-14 £000	Sub-Outcome	Chapter
Adult & Older People	43,738	Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Providing users and carers with a stronger voice and greater control over the services they receive	Supporting People
CAFCASS Cymru Programmes	10,162	Ensuring people receive the help they need to live fulfilled lives	Supporting People
Care Council for Wales	10,392	Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Improving early years' experiences	Education
Children Young People & Families	132,738	Preventing poor health and reducing health inequalities	21st Century Healthcare
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Advance equality of opportunity and tackle discrimination	Equality
		More inclusive and cohesive communities	Equality
Children's Social Services	8,407	Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Providing users and carers with a stronger voice and greater control over the services they receive	Supporting People

Deliver Targeted Health Protection & Immunisation Activity	9,864	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Preventing poor health and reducing health inequalities	21st Century Healthcare
Delivery of Core NHS Services	5,267,149	Improving access and patient experience	21st Century Healthcare
		Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Preventing poor health and reducing health inequalities	21st Century Healthcare
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
Delivery of Targeted NHS Services	445,042	Providing users and carers with a stronger voice and greater control over the services they receive	Supporting People
		Improving access and patient experience	21st Century Healthcare
		Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Improving access and patient experience	21st Century Healthcare
Develop & Implement Research and Development for Patient & Public Benefit	43,799	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Preventing poor health and reducing health inequalities	21st Century Healthcare
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Providing users and carers with a stronger voice and greater control over the services they receive	Supporting People
Effective Health Emergency Preparedness Arrangements	12,104	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Improving the resilience of communities	Safer Communities for All
Food Standards Agency	3,442	Preventing poor health and reducing health inequalities	21st Century Healthcare
General Capital Funding	4,691	Ensuring people receive the help they need to live fulfilled lives	Supporting People
Hospice Support	7,028	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare

		Improving access and patient experience	21st Century Healthcare
Older People Commissioner	1,715	Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Improving access and patient experience	21st Century Healthcare
Promote Healthy Improvement & Healthy Working	6,387	Preventing poor health and reducing health inequalities	21st Century Healthcare
Deliver the Substance Misuse Strategy Implementation Plan	32,547	Reducing the level of crime and fear of crime	Safer Communities for All
		Reduction and prevention of young offending	Safer Communities for All
Social Services Strategy	14,793	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Providing users and carers with a stronger voice and greater control over the services they receive	Supporting People
Sponsorship of Public Health Bodies	77,216	Improving access and patient experience	21st Century Healthcare
		Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Preventing poor health and reducing health inequalities	21st Century Healthcare
Support Education & Training of the NHS Workforce	186,870	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Improving access and patient experience	21st Century Healthcare
		Improving access and patient experience	21st Century Healthcare
Support Mental Health Policies & Legislation	7,531	Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare
		Preventing poor health and reducing health inequalities	21st Century Healthcare
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
Tackle Health Inequalities & Develop Partnership Working	9,681	Preventing poor health and reducing health inequalities	21st Century Healthcare

		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
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Table 19.2 Local Government and Communities

Budget Action	DEL Budget 2013-14 £000	Sub-Outcome	Chapter
Building Local Democracy	975	Strengthening local democracy	Public Services in Wales
Care and Social Services Inspectorate	14,461	Ensuring people receive the help they need to live fulfilled lives	Supporting People
Communities First	40,250	Poverty and material deprivation	Tackling Poverty
Community Development	10,950	Reducing the level of crime and fear of crime	Safer Communities for All
		Creating sustainable places for people	Environment and Sustainability
		Creating a sustainable, low carbon economy	Growth and Sustainable Jobs
Sustainable Travel	123,942	Tackling worklessness and raising household income	Tackling Poverty
		Improving public services for rural communities	Rural Communities
		Creating sustainable places for people	Environment and Sustainability
Domestic Abuse	3,966	Reducing rates of domestic abuse and violence against women	Safer Communities for All
Estyn	12,645	Ensuring people receive the help they need to live fulfilled lives	Supporting People
Financial Inclusion	3,164	Tackling worklessness and raising household income	Tackling Poverty
Fire & Rescue Service National Framework	3,589	Improving safety in communities	Safer Communities for All
Fire & Rescue Services Resilience	6,585	Improving safety in communities	Safer Communities for All
		Improving the resilience of communities	Safer Communities for All
Funding Support for Local Government	4,315,754	Ensure that our funding supports stronger and more effective service delivery	Public Services in Wales
		Improving health outcomes by ensuring the quality and safety of services is enhanced	21st Century Healthcare

		Ensuring people receive the help they need to live fulfilled lives	Supporting People
		Reducing the level of crime and fear of crime	Safer Communities for All
		Improving safety in communities	Safer Communities for All
		Poverty and material deprivation	Tackling Poverty
		Improving safety in communities	Safer Communities for All
		Poverty and material deprivation	Tackling Poverty
General Capital Funding - Roads	13,667	Improving our infrastructure	Growth and Sustainable Jobs
Healthcare Inspectorate Wales	2,591	Ensuring people receive the help they need to live fulfilled lives	Supporting People
Improve and Maintain Trunk Road Network (Domestic Routes)	108,691	Improving our infrastructure	Growth and Sustainable Jobs
Motorway & Trunk Road Operations	114,072	A thriving rural economy	Rural Communities
Rail & Air Services	173,179	Improving our infrastructure	Growth and Sustainable Jobs
Improve Road Safety	11,617	Reducing the level of crime and fear of crime	Growth and Sustainable Jobs
		A thriving rural economy	Safer Communities for All
		Improving our infrastructure	Rural Communities
		Improving safety in communities	Growth and Sustainable Jobs
		Ensure that our funding supports stronger and more effective service delivery	Safer Communities for All
Local Government Improvement	35,499	Securing effective collaboration between public services	Public Services in Wales
		Supporting continuous improvement in our public services	Public Services in Wales
Supporting Collaboration and Reform	4,505	Securing effective collaboration between public services	Public Services in Wales
Third Sector	8,650	Supporting continuous improvement in our public services	Public Services in Wales
Valuation Services	9,993	Providing users and carers with a stronger voice and greater control over the services they receive	Supporting People
		Securing effective collaboration between public services	Public Services in Wales

Youth Justice	5,200	Reduction and prevention of young offending	Safer Communities for All
Local Government General Capital Funding	20,000	Ensure that our funding supports stronger and more effective service delivery	Public Services in Wales
Road & Rail Schemes	107,891	Improving our infrastructure	Growth and Sustainable Jobs

Table 19.3 Business, Enterprise, Technology and Science

Budget Action	DEL Budget 2013-14 £'000	Sub-Outcome	Chapter
Corporate Programmes	3,353	Preventing poor health and reducing health inequalities	21st Century Healthcare
Cost Sharing & Responsibility	20	Internal outcomes	Internal Outcome
Deliver ICT Infrastructure	35,939	A thriving rural economy	Rural Communities
		Improving our infrastructure	Growth and Sustainable Jobs
Deliver Property Related Infrastructure	13,159	Supporting continuous improvement in our public services	Public Services in Wales
		Ensuring rural communities have access to faster broadband speeds and new digital services	Rural Communities
Delivering the programmes within the Rural Development Plan	76,416	Improving our infrastructure	Growth and Sustainable Jobs
Developing, managing and enforcing Welsh Fisheries and Aquaculture	2,442	A thriving rural economy	Rural Communities
Finance Wales	3,500	A thriving rural economy	Rural Communities
Innovation	11,887	Supporting the economy and business	Growth and Sustainable Jobs
Entrepreneurship & Business Information	14,523	Supporting the economy and business	Growth and Sustainable Jobs
Evidence based development for Rural Affairs	806	Supporting the economy and business	Growth and Sustainable Jobs
		A thriving rural economy	Rural Communities
Legacy SIF	23,060	Improving public services for rural communities	Rural Communities
Major Events	4,740	Supporting the economy and business	Growth and Sustainable Jobs
		Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
Making Payments in accordance with EU and WAG rules	7,350	A thriving rural economy	Rural Communities
		Protecting healthy eco-systems	Environment and Sustainability
Manage Delivery of Structural Fund	1,522	Supporting the economy and business	Growth and Sustainable Jobs

Programmes in Wales				
Marketing	2,815	Supporting the economy and business Supporting continuous improvement in our public services	Growth and Sustainable Jobs Public Services in Wales	
Meeting the needs of rural communities and rural proofing WAG actions	2,505	Improving public services for rural communities Supporting the economy and business Supporting continuous improvement in our public services	Rural Communities Growth and Sustainable Jobs Public Services in Wales	
Sectors and Business	64,808	Reducing the level of crime and fear of crime A thriving rural economy Creating a sustainable, low carbon economy Widening access to our culture, heritage and sport, and encouraging greater participation	Safer Communities for All Rural communities Growth and Sustainable Jobs Culture and Heritage of Wales- chapter 12	
Strategy Programmes	529	Supporting the economy and business Creating a sustainable, low carbon economy Living within environmental limits and acting on climate change	Growth and Sustainable Jobs Growth and Sustainable Jobs Environment and Sustainability	
Science	4,995	Supporting the economy and business	Growth and Sustainable Jobs	

Table 19.4 Education and Skills

Budget Action	DEL Budget 2013-14 £'000	Sub-Outcome	Chapter
Curriculum	125,060	Improving early years' experiences	Education
		Improving school attainment	Education
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Delivery Support	4,049	Improving the skills of young people and families	Tackling Poverty
		Developing Welsh Medium Education	Education
		Improving early years' experiences	Education
		Improving Further and Higher Education	Education
		Improving school attainment	Education
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
		Improving Welsh skills for employment	Growth and Sustainable Jobs
		Strengthen the place of the Welsh language in everyday life	The Culture and Heritage of Wales
Education Standards	34,350	Supporting the economy and business	Growth and Sustainable Jobs
		Tackling worklessness and raising household income	Tackling Poverty
		Improving school attainment	Education
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Education Structures	2,943	Improving Further and Higher Education	Education
		Improving the skills of young people and families	Tackling Poverty
Educational and Careers Choice	30,000		
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Youth Engagement & Employment	19,746	Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty

		Improving Welsh skills for employment	Growth and Sustainable Jobs
		Improving the skills of young people and families	Tackling Poverty
		Tackling worklessness and raising household income	Tackling Poverty
Estate & IT Provision	177,134	Improving school attainment	Education
		Improving Further and Higher Education	Education
Higher Education	382,284	Improving Further and Higher Education	Education
		Supporting the economy and business	Growth and Sustainable Jobs
ICT and Information Management systems	7,423	Improving school attainment	Education
		Improving Further and Higher Education	Education
Literacy & Numeracy	7,512	Improving school attainment	Education
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Post 16 Education	563,006	Improving the skills of young people and families	Tackling Poverty
		Supporting the economy and business	Growth and Sustainable Jobs
		Tackling worklessness and raising household income	Tackling Poverty
		Improving Welsh skills for employment	Growth and Sustainable Jobs
		Improving Further and Higher Education	Education
Post 16 Learner Support	318,973	Improving Further and Higher Education	Education
		Improving the skills of young people and families	Tackling Poverty
Pupil Deprivation Grant	36,780	Improving school attainment	Education
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Pupil Engagement	12,758	Improving school attainment	Education
		Advance equality of opportunity and tackle discrimination	Equality
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Qualifications	5,045	Improving school attainment	Education

		Improving Further and Higher Education	Education
Employment & Skills	31,657	Tackling worklessness and raising household income	Tackling Poverty
		Improving Welsh skills for employment	Growth and Sustainable Jobs
		Supporting the economy and business	Growth and Sustainable Jobs
		Improving the skills of young people and families	Tackling Poverty
		Improving school attainment	Education
Teaching & Leadership	19,849	Improving Welsh skills for employment	Growth and Sustainable Jobs
		Improving school attainment	Education
Wellbeing of Children & Young People	47,288	Improving Further and Higher Education	Education
		Improving early years' experiences	Education
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
		Strengthen the place of the Welsh language in everyday life	The Culture and Heritage of Wales
Welsh Language	8,864	Developing Welsh Medium Education	Education
Welsh in Education	16,212	Strengthen the place of the Welsh language in everyday life	The Culture and Heritage of Wales

Table 19.5 Environment and Sustainability

Budget Action	DEL Budget 2013-14 £'000	Sub-Outcome	Chapter
Deliver nature conservation and marine policies	2,675	Creating sustainable places for people Living within environmental limits and acting on climate change Protecting healthy eco-systems	Environment and Sustainability Environment and Sustainability Environment and Sustainability
Develop and deliver overarching policy and programmes on sustainable development and environment	12,957	Creating a sustainable, low carbon economy Living within environmental limits and acting on climate change	Growth and Sustainable Jobs Environment and Sustainability
Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	35,977	Creating a sustainable, low carbon economy Improving quality Tackling worklessness and raising household income Creating sustainable places for people Living within environmental limits and acting on climate change	Growth and Sustainable Jobs Welsh Homes Tackling Poverty Environment and Sustainability Environment and Sustainability
Develop and implement flood and coastal risk, water and sewage policy and legislation	42,230	Improving our infrastructure Tackling worklessness and raising household income Creating sustainable places for people Protecting healthy eco-systems	Growth and Sustainable Jobs Tackling Poverty Environment and Sustainability Environment and Sustainability
Developing an appropriate evidence base to support the work of the Department	1,122	Internal outcomes	Internal Outcome
Facilitate clean and secure energy and industry	1,080	Creating a sustainable, low carbon economy	Growth and Sustainable Jobs

investment				
Manage and implement environmental improvement	3,900	Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty	
		Creating sustainable places for people	Environment and Sustainability	
		Protecting healthy eco-systems	Environment and Sustainability	
Manage and Implement the Waste Strategy and waste procurement	86,502	Living within environmental limits and acting on climate change	Environment and Sustainability	
		Creating a sustainable, low carbon economy	Growth and Sustainable Jobs	
		Creating sustainable places for people	Environment and Sustainability	
Planning Policy Development, Planning Inspectorate and regulation	7,090	Living within environmental limits and acting on climate change	Environment and Sustainability	
Promote protected landscapes and countryside access	14,532	Creating sustainable places for people	Environment and Sustainability	
		A thriving rural economy	Rural Communities	
Protecting and Improving Animal Health and Welfare	38,895	Protecting healthy eco-systems	Environment and Sustainability	
Protecting plant health and developing GM policies	52	A thriving rural economy	Rural Communities	
Sponsor and manage delivery bodies	79,754	Creating sustainable places for people	Environment and Sustainability	

Table 19.6 Housing, Regeneration and Heritage

Budget Action	DEL Budget 2013-14 £'000	Sub-Outcome	Chapter
Achieve quality housing	157,281	Improving housing services and support	Welsh Homes
		Improving quality	Welsh Homes
Conserve, protect, sustain and promote access to the historic environment	16,572	Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
		Preventing poor health and reducing health inequalities	21st Century Healthcare
Delivery of effective sports & physical activity programmes	25,198	Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
		Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
Policy development and implementation	1,874	Improving housing services and support	Welsh Homes
		Increasing supply and choice	Welsh Homes
Policy research and evaluation	312	Improving housing services and support	Welsh Homes
		Increasing supply and choice	Welsh Homes
Supporting people	136,558	Improving housing services and support	Welsh Homes
		Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
Independent Living	6,764	Improving housing services and support	Welsh Homes

Foster Usage and Lifelong Learning through Library Services	12,226	Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
Foster Usage and Lifelong Learning through Museum Services	25,694	Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty
		Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
Regeneration	65,985	Poverty and material deprivation	Tackling Poverty
		Improving our infrastructure	Growth and sustainable jobs
		Supporting the economy and business	Growth and sustainable jobs
Increase supply & choice of housing	57,229	Creating sustainable places for people to live	Environment and Sustainability
		Increasing supply and choice	Welsh Homes
Media & Publishing	3,951	Creating sustainable places for people	Environment and Sustainability
Strategic Leadership for museum, archive & library services	3,568	Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
		Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
Support and sustain a strong arts sector via the Arts Council and others	36,093	Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
		Improving housing services and support	Welsh Homes
Homelessness	7,181	Improving the health and educational outcomes of children, young people and families living in poverty	Tackling Poverty

Table 19.7 Central Services and Administration

Budget Action	DEL Budget 2013-14 £000	Sub-Outcome	Chapter
Capital	4,000	Internal outcomes	Internal Outcome
Capital Charges	16,000	Internal outcomes	Internal Outcome
Central Research	1,486	Internal outcomes	Internal Outcome
Community Cohesion	200	More inclusive and cohesive communities:	Equality
Digital Inclusion	1,000	Internal outcomes	Internal Outcome
Economic Research Advisory Panel	468	Internal outcomes	Internal Outcome
Election Costs	92	Internal outcomes	Internal Outcome
Enabling Government	16,512	Internal outcomes	Internal Outcome
Equality & Human Rights	790	Preventing poor health and reducing health inequalities	21st Century Healthcare
		Advance equality of opportunity and tackle discrimination	Equality
Events & Corporate Communications	579	Ensure that our funding supports stronger and more effective service delivery	Public Services in Wales
General Administration	40,711	Internal outcomes	Internal Outcome
Geographical Information	935	Internal outcomes	Internal Outcome
Gypsy Travelers	1,500	Improving housing services and support	Welsh Homes
		More inclusive and cohesive communities:	Equality
Improving Economic & Labour Market Statistics	1,090	Internal outcomes	Internal Outcome
Inclusion - Refugees, Asylum Seekers and Migrant Workers	,855	Internal outcomes	Internal Outcome
International Development	845	Supporting the economy and business	Growth and Sustainable Jobs

International Relations	1,246	Internal outcomes	Internal Outcome
IT Costs	21,328	Internal outcomes	Internal Outcome
Match Funding	20,624	Internal outcomes	Internal Outcome
PSMW	1,196	Internal outcomes	Internal Outcome
Public Appointments	352	Internal outcomes	Internal Outcome
Staff Costs	195,372	Internal outcomes	Internal Outcome
Strategic Capital Investment Fund	418	Ensure that our funding supports stronger and more effective service delivery	Public Services in Wales
Value Wales	401	Supporting the economy and business	Growth and Sustainable Jobs
Xchangewales	3,346	Securing effective collaboration between public services	Public Services in Wales
Tribunals	2,145	Securing effective collaboration between public services	Public Services in Wales
Invest-to-Save Fund	5,144	Internal outcomes	Internal Outcome
Invest-to-Save Fund Repayment of Investments	9,974	Internal outcomes	Internal Outcome

Annex E – Glossary

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

Fiscal Resource DEL (previously known as near-cash)	Accruals measures of transactions that normally turn into cash flows soon, for example, pay, current procurement, resource grants and subsidies.
Main Expenditure Group (MEG)	The Welsh Government DEL is divided into a number of Main Expenditure Groups. There are currently 7 MEGs: Health, Social Services and Children; Local Government and Communities; Business, Enterprise, Technology and Science; Education and Skills; Environment and Sustainable Development; Housing, Regeneration and Heritage; and Central Services and Administration.
Non-Fiscal Resource DEL (previously known as non-cash)	Accruals measures included in budgets to ensure they reflect the full economic cost of activities even though there is not a direct link to cash flows in the relevant period - for example, depreciation and provisions. Non-fiscal resource DEL cannot be used to fund fiscal resource DEL spending.
Receipts	Some areas of Welsh Government activity generate income, for example, through the sale or rental of assets. These are represented in the budget as negative figures.
Resource budgeting	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budget includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.
Resource (previously known as revenue)	Current expenditure, for example, funding for the pay of public sector workers and to purchase consumable goods and services.
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 Programme Area (SPA)	Within each MEG, budgets are allocated to Spending Programme Areas according to the kind of services they will deliver.

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

Your Money

A Budget for Growth and Jobs

October 2012

The Draft Budget for 2013-14 sets out the Welsh Government's spending plans for the next two years. Growing the economy and creating jobs will continue to be at the heart of our Budget proposals and everything we do as a Government.



Llywodraeth Cymru
Welsh Government

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Our Draft Budget proposals are aligned to our Programme for Government which sets out what we are trying to achieve, the key actions we will take to deliver improvements and how we will monitor progress.

Despite significant cuts to the Welsh Budget by the UK Government, we have maximised the resources available to support the priorities that matter to the people of Wales – creating jobs, investing in key public services and building 21st Century networks for transport, IT and energy across Wales.

Our spending plans are designed to ensure equality, inclusion and social justice and aim to mitigate the worst impacts of the UK Government's actions and protect the most vulnerable in our society. We are continuing to protect our spending for schools, social services, health and universal benefits.

The Budget includes a range of measures to support employment, and to help Welsh businesses compete and grow. Through better procurement and a strategic approach to capital investment, we will boost investment, protect and improve public services and through community benefits clauses in contracts deliver new local employment, training and apprenticeship opportunities that will benefit our communities.

We are also developing a range of new funding initiatives to support much needed investment in our economic infrastructure, housing and public services.

Through our Draft Budget, we are allocating an additional £175m to support delivery of key investment priorities in the Wales Infrastructure Investment Plan for Growth and Jobs. This package will help to boost the construction sector, create jobs and enable sustainable economic growth.

Allocations comprise:

- £40m for the A465 Heads of the Valley Dualling Programme;
- £25m for improvements to the A55 Conwy Tunnel;

- £18m to support the redevelopment of Morriston Hospital, Swansea;
- £10m in 2014-15 to support our Next Generation Broadband Programme;
- £12m to support delivery of more than 500 additional affordable homes across Wales, under the Welsh Housing Partnership scheme;
- £10m for improving domestic energy efficiency for over 1,600 households;
- £13m for Flying Start, our early years programme;
- £15m in 2013-14 to accelerate a number of schemes under the 21st Century Schools programme;
- £12m for the University Hospital Llandough Adult Acute Unit and Reshaping Mental Health Service at Glanrhyd Hospital in Bridgend;
- £10m in 2014-15 to accelerate the new post-16 Further Education campus for Cardiff and Vale College in Cardiff city centre; and
- £10m to help protect properties the length and breadth of Wales from flood and coastal erosion.

This £175m package will deliver real benefits to Wales, creating or supporting more than 3000 jobs over the next two years, providing longer term growth benefits and better infrastructure for key public services.

The Draft Budget builds on the three year allocations we announced in the Budget 2012-13, including £129m for our 'Five for a Fairer Future' commitments and £288m for the health service to sustain and modernise high quality services.

Taken together, these measures demonstrate how we are delivering on our vision for a more prosperous economy, whilst continuing to improve the quality of life and wellbeing of everyone and protecting those who are being hit hardest during these challenging times.

Page 193  Jane Hutt
Minister for Finance and
Leader of the House



Eich Arian

Cyllideb ar gyfer Twf a Swyddi

Hydref 2012

Mae Cyllideb Ddrafft 2013-14 yn disgrifio cynlluniau gwariant Llywodraeth Cymru ar gyfer y ddwy flynedd nesaf. Bydd ein cynigion ar gyfer y Gyllideb yn parhau i ganolbwyntio ar greu swyddi a sicrhau bod yr economi yn tyfu, a hynny fydd wrth wraidd popeth rydym ni, fel Llywodraeth, yn ei wneud.



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Mae'r cynigion yn ein Cyllideb Ddrafft yn cyd-fynd â'n Rhaglen Lywodraethu, sy'n nodi'r hyn rydym yn ceisio'i gyflawni, y prif gamau y byddwn yn eu cymryd i sicrhau gwelliannau, a'r ffordd y byddwn yn monitro hyn y gwaith.

Er gwaethaf y ffaith fod Llywodraeth y DU wedi cwtdogi Cyllideb Cymru yn sylweddol, rydym wedi gwneud y defnydd gorau o'r adnoddau sydd ar gael er mwyn cefnogi'r blaenoriaethau sy'n bwysig i bobl Cymru – creu swyddi, buddsoddi mewn gwasanaethau cyhoeddus allweddol a chreu rhwydweithiau'r unfed ganrif ar hugain ledled Cymru ar gyfer trafndiaeth, TG ac ynni.

Bwriad ein cynlluniau gwariant yw sicrhau cydraddoldeb, cynhwysiant a chyfiawnder cymdeithasol, a'u nod yw ceisio lleddfu effeithiau gwaethaf polisiâu Llywodraeth y DU ac amddiffyn y bobl fwyaf agored i niwed yn ein cymdeithas. Rydym yn parhau i ddiogelu ein gwariant ar ysgolion, y gwasanaethau cymdeithasol, iechyd a'r buddion cyffredinol.

Mae'r Gyllideb yn cynnwys amrywiaeth o fesurau i gefnogi cyflogaeth, ac i helpu busnesau Cymru i gystadlu a thyfu. Drwy gaffael yn well a mynd ati i fuddsoddi cyfalaf mewn modd strategol, byddwn yn rhoi hwb i fuddsoddi ac yn amddiffyn a gwella gwasanaethau cyhoeddus. Byddwn yn defnyddio cymalau manteision cymunedol mewn contractau er mwyn creu swyddi, cyfleoedd hyfforddi a phrentisiaethau newydd lleol, a fydd o fantais i'n cymunedau.

Rydym hefyd yn datblygu amrywiaeth o fentrau ariannu newydd er mwyn gallu buddsoddi yn ein seilwaith economaidd, ein tai a'n gwasanaethau cyhoeddus – rhywbeth sydd ei angen yn fawr.

Yn ein Cyllideb Ddrafft, rydym yn neilltuo £175m yn ychwanegol er mwyn helpu i gyflawni prif flaenoriaethau buddsoddi'r Cynllun Buddsoddi yn Seilwaith Cymru i Hybu Twf a Swyddi. Bydd y pecyn buddsoddi hwn yn helpu i hybu'r sector adeiladu, creu swyddi a galluogi'r economi i dyfu mewn ffordd gynaliadwy.

Mae'r dyraniadau yn cynnwys:

- £40m ar gyfer Cynllun Deuli'r A465 Blaenau'r Cymoedd;
- £25m ar gyfer gwelliannau i Dwnnel Conwy ar yr A55;

- £18m er mwyn ailddatblygu Ysbyty Treforys, Abertawe;
- £10m yn 2014-15 ar gyfer Rhaglen Band Eang y Genhedlaeth Nesaf;
- £12m er mwyn helpu i ddarparu mwy na 500 o gartrefi fforddiadwy ychwanegol ledled Cymru, fel rhan o gynllun Partneriaeth Tai Cymru;
- £10m er mwyn gwella effeithiolrwydd ynni domestig ar fwy na 1,600 o aelwydydd;
- £13m ar gyfer Dechrau'n Deg, ein rhaglen ar gyfer y blynyddoedd cynnar;
- £15m yn 2013-14 er mwyn cyflymu'r broses o gyflwyno amryw o gynlluniau o dan y rhaglen Ysgolion ar gyfer yr 21ain Ganrif;
- £12m ar gyfer yr Uned Acíwt ar gyfer Oedolion yn Ysbyty Athrofaol Llandochoau ac Ad-drefnu Gwasanaethau Iechyd Meddwl yn Ysbyty Glanrhyd ym Mhen-y-bont ar Ogwr.
- £10m yn 2014-15 er mwyn cyflymu'r broses o ddatblygu'r campws Addysg Bellach ôl-16 newydd ar gyfer Coleg Caerdydd a'r Fro yng nghanol dinas Caerdydd;
- £10m er mwyn helpu i amddiffyn eiddo ym mhob cwr o Gymru rhag llifogydd ac erydu arfordirol.

Bydd y pecyn £175m hwn yn dod â budd gwirioneddol i Gymru, gan greu neu gefnogi mwy na 3000 o swyddi dros y ddwy flynedd nesaf. Bydd hefyd yn helpu i greu twf yn y tymor hir ac yn gwella'r seilwaith ar gyfer gwasanaethau cyhoeddus allweddol.

Mae'r Gyllideb Ddrafft yn adeiladu ar y dyraniadau tair blynedd a gyhoeddwyd yng Nghyllideb 2012-13, gan gynnwys £129m ar gyfer ein hymrwymadau 'Pump am Ddyfodol Tecach', a £288m i gynnal a moderneiddio gwasanaethau o safon uchel yn y gwasanaeth iechyd.

Gyda'i gilydd, mae'r mesurau hyn yn dangos ein bod yn gwireddu ein gweledigaeth o sicrhau economi fwy llewyrchus, yn parhau i wella ansawdd bywyd a lles pawb, ac yn amddiffyn y rheini sy'n cael eu gwasgu galetaf yn ystod y cyfnod heriol hwn.



Our Draft Budget 2013-2014



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

What is the Welsh Government for?

Wales has its own Government - making policies and laws for our country. When the Welsh Government was put in charge, it made a number of promises about how it would improve people's lives. These promises are set out in a 'Programme for Government'. It describes the Welsh Government's plans to help people to have a

good quality of life by making sure they are safe, get a good education, live in a nice environment, can gain a job or training and that their health is looked after.

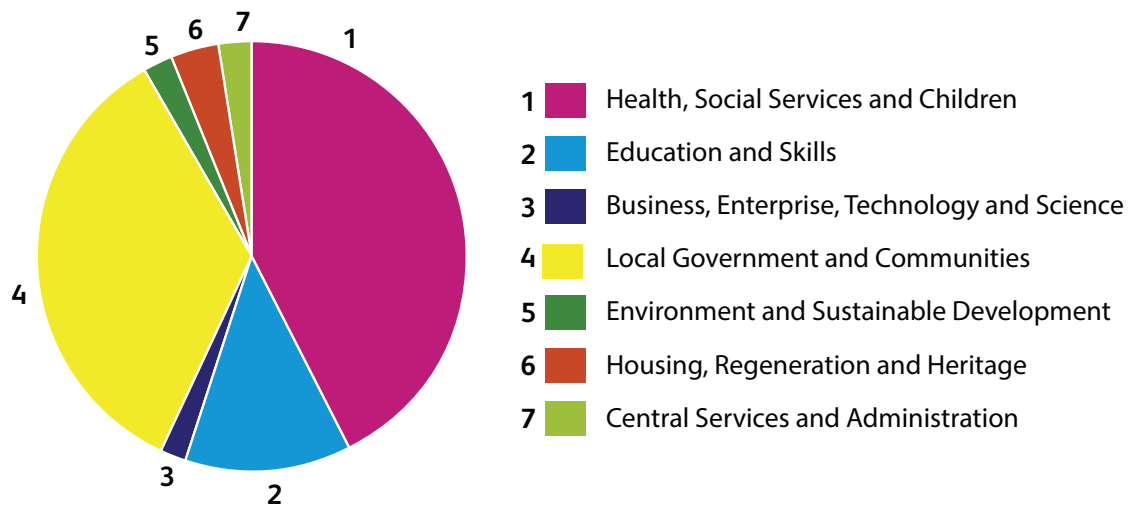
To do this the Welsh Government makes decisions in many areas such as education; health; transport; the environment and housing.

How does the Welsh Government spend its money?

The Welsh Government spends about £15 billion each year on services for the public in Wales. On 2 October, Jane Hutt, the Finance Minister, published the Budget which sets out how the Welsh Government intends to spend the £15 billion in the year 1 April 2013 to 31 March 2014 to deliver the promises in the Programme for Government.

In 2013-14, the main goal is to help create more jobs and support the Welsh economy. The Welsh Government is providing an extra £175 million over the next two years to support this work and is targeting the money towards improving schools, hospitals, housing, roads and energy efficiency.

The Welsh Government is proposing to spend its budget as follows:



1 Health, Social Services and Children **£6.3 billion**

We spend this money to try to keep people healthy and look after them when they need help.

This includes money to:

- Provide doctors, dentists and nurses
- Improve hospitals
- Give help to families with young children
- Provide care services for children and the elderly

Did you know?

The Welsh Government is providing £74 million over 3 years for the 'Flying Start' programme to double the number of children benefitting from free childcare and health visiting giving children the best start in life.

2 Education and Skills **£1.8 billion**

We spend this money to help people learn and achieve as much as they can.

This includes funding to:

- Provide the Educational Maintenance Allowance
- Build and maintain schools
- Provide money to schools for things like uniforms, milk for children, electricity, gas, cleaning, etc.
- Run colleges and universities and help young Welsh people to go to study in college or university
- Encourage people to use the Welsh language
- Improve the skills of young people so that they can get a job including apprenticeships

Did you know?

Almost £500 million is spent on Further Education colleges in Wales every year.

3 Business, Enterprise, Technology and Science **£274 million**

We spend this money to make the best conditions for companies to do well in and create more jobs for people. This includes funding to:

- Help businesses grow
- Create jobs in Wales
- Attract new jobs to Wales
- Improve tourism, IT and broadband
- Support rural communities

Did you know?

Through a range of sources, over £400 million will be invested in Wales over the next 3 years so we all have access to high speed broadband by the end of 2015.

4 Local Government and Communities **£5.1 billion**

We spend this money to give local government the resources to provide the best services that the people in Wales deserve to have and to make the places where we live safer and nicer to live in.

This includes money to:

- Improve our roads and railways
- Fund council services including schools and social services
- Support our Fire and Rescue services

Did you know?

We are investing nearly £12 million to improve Road Safety in 2013-14.

5 Environment and Sustainable Development **£327 million**

We spend this money to make sure we make the best use of Welsh natural resources and all our decisions help make a better future for our grandchildren and their grandchildren and not just us. This includes funding to:

- Make better use of our energy and water
- Recycle more rubbish & waste
- Look after our National Parks

Did you know?

We are investing over £140 million to help protect Welsh homes against flooding and coastal erosion between 2011-12 and 2015-16.

6 Housing, Regeneration and Heritage **£556 million**

We spend this money to help people live in safe houses and communities and make sure the culture and language of Wales lives on. This includes funding to:

- Make sure everyone has a decent place to live
- Encourage everyone to do more exercise
- Maintain our castles and historic buildings
- Give free access to museums in Wales

Did you know?

We give local authorities £3.5m each year so that children across Wales can access free swimming.

7

Central Services and Administration

£349 million

This money is used to enable the running of the Welsh Government and includes funding for staff costs, IT services and the Welsh Government buildings.

This includes money to:

- Help people who may be treated unfairly
- Encourage Wales to be a Fair Trade Country
- Make sure everyone can use digital technology, like the internet

Did you know?

We are investing £1.5 million in 2013-14 to improve Gypsy and Traveller sites so that Gypsy and Traveller communities in Wales have a place to live.



Every pound we spend can have an impact on your life.

To find out more about how we spend this money visit our website

www.wales.gov.uk

where you'll find each area organised by topic.

Finance Committee

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

Meeting date: **Wednesday, 3 October 2012**

Meeting time: **09:15 – 12:00**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_300000_03_10_2012&t=0&l=en

Concise Minutes:

Assembly Members:

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

Witnesses:

Angela Burns, Commissioner
Claire Clancy, Chief Executive & Clerk of the Assembly
Steven O'Donoghue, Head of Assembly Resources
Peter Tyndall, Ombudsman for Wales
Susan Hudson, Policy and Communication Manager
Malcolm MacDonald, Financial Adviser

Committee Staff:

Gareth Price (Clerk)
Daniel Collier (Deputy Clerk)
Martin Jennings (Researcher)
Joanest Jackson (Legal Advisor)

1. Introductions, apologies and substitutions

1.1 The Chair welcomed Members and members of the public to the meeting.

1.2 Peter Black declared an interest as a Member of the Assembly Commission and would not be taking part in the scrutiny of the Assembly Commission's budget.

2. Scrutiny of Assembly Commission Draft Budget 2013–2014

2.1 The Committee welcomed Angela Burns, Assembly Member; Claire Clancy, Chief Executive and Clerk of the Assembly; and Steve O'Donoghue, Head of Assembly Resources.

2.2 The Committee questioned the witnesses.

Action points:

The Assembly Commission agreed to:

- Provide a note on whether contractors are upholding equality, living wage, and trade union membership standards.
- Respond to concerns raised by Mike Hedges AM on ICT investment;

3. Scrutiny of Public Service Ombudsman for Wales draft estimate

3.1 The Committee welcomed Peter Tyndall, Public Service Ombudsman for Wales; Susan Hudson, Policy & Communications Manager; and Malcolm MacDonald, Financial Adviser.

3.2 The Committee questioned the witnesses.

Action point:

The Public Service Ombudsman for Wales agreed to provide:

- Further details on the rise in complaints associated with the health sector, including the budgetary implications of those complaints.

4. Papers to note

4.1 The Committee noted the minutes of the previous meeting.

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

6. Consideration of evidence received

6.1 The Committee discussed the evidence received on the Assembly Commission's draft budget 2013–2014.

6.2 The Committee discussed the evidence on the Public Service Ombudsman's draft estimate.

6.3 Draft reports on both budgets will be considered by the Committee at forthcoming meetings.