

Agenda – Finance Committee

Meeting Venue:	For further information contact:
Video Conference via Zoom	Bethan Davies
Meeting date: 24 February 2021	Committee Clerk
Meeting time: 09.30	0300 200 6372
	SeneddFinance@senedd.wales

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on www.senedd.tv

1 Introductions, apologies, substitutions and declarations of interest

2 Paper(s) to note

(09:30)

(Pages 1 – 14)

Minutes of the meeting held on 8 January 2021.

Minutes of the meeting held on 13 January 2021.

Minutes of the meeting held on 15 January 2021.

Minutes of the meeting held on 20 January 2021.

Minutes of the meeting held on 27 January 2021.

2.1 PTN 1 – Annual Scrutiny of the Wales Audit Office: Audit Wales' response to the Committee's recommendations – 22 January 2021

(Pages 15 – 21)

2.2 PTN 2 – Letter from Audit Wales – Wales Audit Office Supplementary Estimate 2020–21 – 27 January 2021

(Page 22)



- 2.3 PTN 3 – Letter from the Minister for Finance and Trefnydd: Information on financial transactions capital and Wales Barnett formula consequential – 21 January 2021
(Pages 23 – 25)
- 2.4 PTN 4 – Welsh Government's Second supplementary budget – Welsh Government response – 19 January 2021
(Pages 26 – 40)
- 2.5 PTN 5 – Letter from the Minister for Finance and Trefnydd – Land Transaction Tax (LTT) non-residential rates and thresholds – 2 February 2021
(Pages 41 – 43)
- 2.6 PTN 6 – Letter from the Chair of External Affairs and Additional Legislation Committee to the Secretary of State for Wales: UK Shared Prosperity Fund – 2 February 2021
(Pages 44 – 45)
- 2.7 PTN 7 – Letter from the Minister for Finance and Trefnydd: Modelling work for free school meals – 9 February 2021
(Page 46)
- 2.8 PTN 8 – Letter from Hafal: Scrutiny of the Welsh Government's Draft Budget 2021–22 – 17 February 2021
(Page 47)

3 Welsh Government Third Supplementary Budget 2020–21
(09:30 – 11:00) (Pages 48 – 194)

Rebecca Evans MS, Minister for Finance and Trefnydd

Andrew Jeffreys, Director, Welsh Treasury

Gawain Evans, Director of Finance

Matthew Denham-Jones, Deputy Director, Financial Controls

Supporting papers:

FIN(5)–06–21 P1 – Welsh Government Third Supplementary Budget 2020–21

FIN(5)–06–21 P2 – Main expenditure group allocations

FIN(5)-06-21 P3 – Explanatory note

FIN(5)-06-21 P4 – Letter from the Minister for Finance and Trefnydd:
Approach and timing of Welsh Government Third Supplementary Budget
2020-21 – 1 Feb 2021

FIN(5)-06-21 P5 – Letter from the Minister for Finance and Trefnydd: UK
Contingencies Fund – 10 February 2021
Research brief

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

(11:00)

**5 Welsh Government Third Supplementary Budget 2020-21:
Consideration of evidence**

(11:00 – 11:20)

6 Consideration of Audit Wales Fee Scheme 2021-22

(11:20 – 11:30)

(Pages 195 – 220)

Supporting papers:

FIN(5)-06-21 P6 – Audit Wales Fee Scheme 2021-22

7 Consideration of Forward Work Programme paper

(11:30 – 11:45)

(Pages 221 – 224)

Supporting papers:

FIN(5)-06-21 P7 Forward Work Programme paper

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Friday, 8 January 2021

<http://senedd.tv/en/11115>

Meeting time: 09.30 – 11.45

Attendance

Category	Names
Members of the Senedd:	Llyr Gruffydd MS (Chair) Alun Davies MS Siân Gwenllïan MS Mike Hedges MS Rhianon Passmore MS Nick Ramsay MS
Witnesses:	Rebecca Evans MS, Minister for Finance and Trefnydd Andrew Jeffreys, Welsh Government Margaret Davies, Welsh Government Matt Wellington, Welsh Government Anna Adams, Welsh Government
Committee Staff:	Bethan Davies (Clerk) Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher)



1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the virtual meeting of the Finance Committee.

1.2 Apologies were received from Mark Reckless MS.

2 Paper(s) to note

2.1 The papers were noted.

2.1 PTN 1 – Letter from the Minister for Finance and Trefnydd to the Chair: Third Supplementary budget 2020–21 – 23 December 2020

3 Scrutiny of the Welsh Government's Draft budget 2021–22: Evidence session 1

3.1 The Committee took evidence from Rebecca Evans MS, Minister for Finance and Trefnydd; Andrew Jeffreys, Director Treasury, Welsh Government; Margaret Davies, Deputy Director of Strategic Budgeting, Welsh Government; Matt Wellington, Head of Budget Delivery, Welsh Government; and Anna Adams, Deputy Director, Head of Tax Strategy Policy and Engagement, on the scrutiny of the Welsh Government's Draft budget 2021–22.

3.2 The Minister for Finance and Trefnydd agreed to:

- provide an update on the work of the income tax working group;
- share the analysis of information gathered from all colleges on the impact of the personal learning accounts;
- share information on the costs of changing the criteria for free school meals; and
- share the analysis on the impact of creating a higher tax band for Non-residential property transactions.

4 Tax Statutory Instruments: Evidence session

4.1 The Committee took evidence from Rebecca Evans MS, Minister for Finance and Trefnydd; Andrew Jeffreys, Director Treasury, Welsh Government; Margaret Davies, Deputy Director of Strategic Budgeting, Welsh Government; Matt Wellington, Head of Budget Delivery, Welsh Government; and Anna Adams, Deputy Director, Head of Tax Strategy Policy and Engagement, on Tax Statutory Instruments.

5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

5.1 The motion was agreed.

6 Scrutiny of the Welsh Government's Draft budget 2021–22: Consideration of evidence

6.1 The Committee considered the evidence received.

7 Tax Statutory Instruments: Consideration of evidence

7.1 The Committee considered the evidence received and agreed to report on the statutory instruments.

8 Consideration of draft letter to the Chief Secretary of the Treasury: Inquiry into the Fiscal Framework; and Comprehensive Spending Review

8.1 The Committee considered the draft letter.

9 Consideration of the Forward Work Programme

9.1 The Committee considered the forward work programme.

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Wednesday, 13 January
2021

<http://senedd.tv/en/11116>

Meeting time: 09.12 – 12.45

Attendance

Category	Names
Members of the Senedd:	Llyr Gruffydd MS (Chair) Alun Davies MS Siân Gwenllïan MS Mike Hedges MS Rhianon Passmore MS Nick Ramsay MS Mark Reckless MS
Witnesses:	Richard Hughes, Office for Budget Responsibility Andy King, Office of Budget Responsibility Jon Rae, Welsh Local Government Association Dilwyn Williams, Gwynedd County Council & Chair of Society of Welsh Treasurers Darren Hughes, Welsh NHS Confederation Ed Poole, Wales Governance Centre Guto Ifan, Wales Governance Centre David Phillips, Institute for Fiscal Studies



Committee Staff:	<p>Bethan Davies (Clerk)</p> <p>Leanne Hatcher (Second Clerk)</p> <p>Georgina Owen (Second Clerk)</p> <p>Mike Lewis (Deputy Clerk)</p> <p>Martin Jennings (Researcher)</p> <p>Joanne McCarthy (Researcher)</p> <p>Owen Holzinger (Researcher)</p> <p>Christian Tipples (Researcher)</p>
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1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the virtual meeting of the Finance Committee.

2 Scrutiny of the Welsh Government's Draft budget 2021–22: Evidence session 2

2.1 The Committee took evidence from Richard Hughes, Chairman, Office for Budget Responsibility; and Andy King, Budget Responsibility Committee member, Office for Budget Responsibility on the Welsh Government's Draft Budget 2021–22.

3 Scrutiny of the Welsh Government's Draft budget 2021–22: Evidence session 3

3.1 The Committee took evidence from Jon Rae, Director of Resources, Welsh Local Government Association; Dilwyn Williams, Chief Executive, Gwynedd Council; and Darren Hughes, Director, Welsh NHS Confederation on the Welsh Government's Draft Budget 2021–22.

4 Scrutiny of the Welsh Government's Draft budget 2021–22: Evidence session 4

4.1 The Committee took evidence from Dr Ed Poole, Wales Fiscal Analysis; Guto Ifan, Wales Fiscal Analysis; and David Phillips, Institute of Fiscal Studies on the Welsh Government's Draft Budget 2021–22.

5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of the meeting

5.1 The motion was agreed.

**6 Scrutiny of the Welsh Government's Draft budget 2021–22:
Consideration of evidence**

6.1 The Committee considered the evidence received.

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Friday, 15 January 2021

<http://senedd.tv/en/11117>

Meeting time: 09.31 – 12.07

Attendance

Category	Names
Members of the Senedd:	Llyr Gruffydd MS (Chair) Alun Davies MS Siân Gwenllïan MS Mike Hedges MS Rhianon Passmore MS Nick Ramsay MS Mark Reckless MS
Witnesses:	Steffan Evans, Bevan Foundation Gemma Schwendel, Joseph Rowntree Foundation Llŷr ap Gareth, Federation of Small Businesses Cymru Andrew Campbell, Wales Tourism Alliance Ian Price, CBI Wales
Committee Staff:	Bethan Davies (Clerk) Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk)



	<p>Martin Jennings (Researcher)</p> <p>Owen Holzinger (Researcher)</p> <p>Christian Tipples (Researcher)</p> <p>Owain Davies (Researcher)</p> <p>Rhiannon Lewis (Legal Adviser)</p>
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1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the virtual meeting of the Finance Committee.

2 Paper(s) to note

2.1 The papers were noted.

2.1 **PTN 1 – Letter from the Minister for Education: Response to the Committee's report on the Curriculum and Assessment (Wales) Bill – 11 January 2021**

2.2 **PTN2 – Letter from the Minister for Finance and Trefnydd – Non-Domestic Rating (Multiplier) (Wales) Order 2021 – 7 January 2021**

3 Scrutiny of the Welsh Government's Draft budget 2021–22: Evidence session 5

3.1 The Committee took evidence from Steffan Evans, Policy and Research Officer, Bevan Foundation; and Gemma Schwendel, Senior Analyst, Joseph Rowntree Foundation on the Scrutiny of the Welsh Government's Draft budget 2021–22.

4 Scrutiny of the Welsh Government's Draft budget 2021–22: Evidence session 6

4.1 The Committee took evidence from Andrew Campbell, Chairman, Wales Tourism Alliance; Ian Price, Director, Confederation of British Industry in Wales (CBI Wales); and Dr. Llyr ap Gareth, Senior Policy Advisor, Federation of Small Businesses in Wales (FSB Wales) on the Scrutiny of the Welsh Government's Draft budget 2021–22.

5 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

5.1 The motion was agreed.

**6 Scrutiny of the Welsh Government's Draft budget 2021–22:
Consideration of evidence**

6.1 The Committee considered the evidence received.

7 Supplementary Budget 2020–21 requests from Directly Funded Bodies

7.1 The Committee considered and approved the proposed variations to the 2020–21 budgets of Audit Wales, the Senedd Commission and the Public Services Ombudsman for Wales.

7.2 The Committee agreed to write to Audit Wales seeking further details on the additional cost of accrued staff annual leave.

**8 The Land Transaction Tax (Tax Bands and Tax Rates) (Wales)
(Amendment) Regulations 2020**

8.1 The Committee agreed the draft report.

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Wednesday, 20 January
2021

<http://senedd.tv/en/11118>

Meeting time: 09.35 – 11.54

Attendance

Category	Names
Members of the Senedd:	Llyr Gruffydd MS (Chair) Mick Antoniw MS (In place of Alun Davies MS) Siân Gwenllïan MS Mike Hedges MS Rhianon Passmore MS Nick Ramsay MS Mark Reckless MS
Witnesses:	Rebecca Evans MS, Minister for Finance and Trefnydd Andrew Jeffreys, Welsh Government Margaret Davies, Welsh Government Matt Wellington, Welsh Government Anna Adams, Welsh Government
Committee Staff:	Bethan Davies (Clerk) Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk)



	<p>Mike Lewis (Deputy Clerk)</p> <p>Martin Jennings (Researcher)</p> <p>Joanne McCarthy (Researcher)</p> <p>Owen Holzinger (Researcher)</p> <p>Christian Tipples (Researcher)</p>
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1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the virtual meeting of the Finance Committee.

1.2 Apologies were received from Alun Davies MS. Mick Antoniw MS attended as a substitute.

2 Welsh Government Draft Budget 2021–22: Evidence session 7

2.1 The Committee took evidence from Rebecca Evans MS, Minister for Finance and Trefnydd; Andrew Jeffreys, Director Treasury; Margaret Davies, Deputy Director of Strategic Budgeting; Matt Wellington, Head of Budget Delivery; and Anna Adams, Deputy Director, Head of Tax Strategy Policy and Engagement, on the scrutiny of the Welsh Government's Draft budget 2021–22.

3 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the meeting on 27 January 2021

3.1 The motion was agreed.

4 Welsh Government Draft Budget 2021–22: Consideration of evidence / key issues

4.1 The Committee considered the evidence received.

5 Inquiry into the implementation of the Wales Act 2014 and operation of the Fiscal Framework: Consideration of draft report

5.1 The Committee agreed the report with minor changes.

Concise Minutes – Finance Committee

Meeting Venue:

This meeting can be viewed

Video Conference via Zoom

on [Senedd TV](#) at:

Meeting date: Wednesday, 27 January
2021

<http://senedd.tv/en/11119>

Meeting time: 09.30 – 10.24

(Private meeting)

Attendance

Category	Names
Members of the Senedd:	Llyr Gruffydd MS (Chair) Mick Antoniw MS (In place of Alun Davies MS) Siân Gwenllïan MS Mike Hedges MS Rhianon Passmore MS Mark Isherwood MS Mark Reckless MS
Witnesses:	
Committee Staff:	Bethan Davies (Clerk) Leanne Hatcher (Second Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher) Owen Holzinger (Researcher) Ben Harris (Legal Adviser)



1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the virtual meeting of the Finance Committee.

1.2 Apologies were received from Alun Davies MS. Mick Antoniw MS attended as a substitute.

2 Welsh Government Draft Budget 2021–22: Consideration of draft report

2.1 The Committee agreed the draft report with minor changes.

3 Public Audit (Wales) Act 2013 – Expenses of the Auditor General

3.1 The Committee considered the provisions relating to the Auditor General's expenses and agreed to write to Audit Wales.

Llyr Gruffydd MS
Chair of the Finance Committee
Senedd Cymru

Via email:
SeneddFinance@senedd.wales

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Reference: LF21002/AC246/caf
Date issued: 22 January 2021

Dear Llyr

Finance Committee Annual Scrutiny of the Wales Audit Office

Further to your report on your annual scrutiny of the Wales Audit Office we are writing to set out our responses to the Committee's recommendations on our statutory reports.

We address each of your recommendations in turn, below:

R1. The Committee recommends that Audit Wales reviews its approach to measuring performance, ensuring that measures are capable of comparison with previous years and avoiding any potential ambiguity in reporting its performance results publicly.

The Board have discussed our proposed performance measures for 2020-21 and 2021-22 and have agreed not to change them but to review the targets set.

The Board has committed to a more fundamental review during 2021. The outcomes of that review will be included in the Annual Plan for 2022-23 to ensure we are measuring and reporting the most appropriate performance indicators.

R2. The Committee recommends that the Annual Report for 2020-21 includes details on the impact of the senior leadership team restructure and the activities undertaken to improve the employee experience at Audit Wales.

Any impact of the restructure will be incorporated into the Annual Report & Accounts for 2020-21 although it will likely be too early to identify any major impacts as the new Executive Directors will only just have been appointed.

The Annual Report will also cover the major activities in the year affecting employee experience.

R3. The Committee welcomes the Auditor General's decision to establish an Audit Quality Committee and recommends that an update on the Committee's work is included in next year's Annual Report.

The Auditor General established a formal Audit Quality Committee in July 2020. Its primary purposes are to help ensure that:

- the arrangements we have in place to manage and monitor audit quality are effective and in line with professional standards, including that adequate resource is dedicated to audit quality;
- the work of the Auditor General is of an appropriate quality standard; and
- audit quality continues to improve in line with best professional practice.

The Committee is comprised of relevant Audit Wales staff and an Independent Professional Member, who is a senior and experienced Chief Operating Officer within the UK public sector. The Committee will meet annually with our external quality reviewer (Quality Assurance Department (QAD) of the Institute of Chartered Accountants in England and Wales (ICAEW)) and with a nominated link from the Board.

As requested, an update on the work of the Audit Quality Committee will be included in the Annual Report and Accounts for 2020-21.

R4. The Committee recommends that the Auditor General outlines what steps have been taken to mitigate the loss of institutional knowledge and provides an update on the implications of the leadership changes on staffing structures, objectives and any change in focus of Audit Wales once the new structure is in place.

The senior leadership restructure has resulted in a net reduction of one senior role, from four roles to three. The Assistant Auditor General and the Sector Lead for Health & Central Government left in September 2020 and the Director of Finance & HR will leave in February 2021.

The new role of Executive Director (ED) for Audit Services will carry many of the professional audit responsibilities previously held by the two senior audit roles with other elements having been delegated to the seven senior Audit Directors who remain in the organisation. While the departure of any senior member of staff can bring some temporary reduction in institutional experience and expertise, Audit Wales has strength in depth meaning that our performance and professional capability will be undiminished. The responsibilities of the former Director of Finance & HR are now carried by the ED for Corporate Services (who was formerly our Director of Corporate Services) and the new ED for Communications & Change (who joins in February 2021).

The new structure does not signal any change in focus for Audit Wales. Our purpose remains to assure the people of Wales that public money is well managed; explain how public money is being used to meet people's needs; and inspire and empower the Welsh public sector to improve. The new structure means that our senior leadership is better aligned and equipped to achieve our four strategic ambitions to:

- fully exploit our unique perspective, expertise and depth of insight;
- strengthen our position as an authoritative, trusted and independent voice;
- increase our visibility, influence and relevance; and
- be a model organisation for the public sector in Wales and beyond.

R5. The Committee recommends that RSM UK Audit LLP puts measures in place to ensure that the final version of its Audit Findings report is laid before the Senedd in future, and keeps the Committee informed of any issues in meeting its statutory obligations under paragraph 35(2), Schedule 1 of the Public Audit (Wales) Act 2013.

We have discussed with RSM UK Audit LLP and they have confirmed that the version of the Audit Findings Report laid before the Senedd in June 2020 was the final version as presented to the Wales Audit Office Audit & Risk Assurance Committee. In November 2020, Senedd Commission officials requested that they amend this version to remove reference to outstanding items which is a standard clause in their reports as, at the point that the final report is considered by the Audit & Risk Assurance Committee, there will be outstanding items such as the Letter of Representation and the final signing of the approved accounts, subject to Board approval. We will make a note to remove this clause prior to laying the report before the Senedd in future years.

R6. The Committee recommends that RSM UK Audit LLP updates references in future audit findings reports from “National Assembly for Wales Commission” to “Senedd Commission”. The National Assembly for Wales Commission was renamed “Senedd Commission” by virtue of section 6 of the Senedd and Elections (Wales) Act 2020, effective 6 May 2020, and formal documentation should recognise this.

We have drawn the Committee's recommendation to the attention of RSM UK Audit LLP so that they use the correct terminology in future.

R7. The Committee recommends that an update is provided as the project to review the travel scheme progresses, including the outcome of discussions with staff and Trade Unions on the changes proposed, as well as the timelines for implementation and projected savings.

We will update the Committee following the Board's consideration of the Task & Finish Group's report. At that time, whilst we still wouldn't be able to be specific about implementation dates, we could give an indication of the planned timeline and be clear it is subject to securing union support for the changes.

R8. Recognising that it is not traditional audit work, the Committee welcomes more information on the work of the COVID-learning project.

The COVID learning project involves real-time capture and sharing of learning and experience across our audited bodies. This involves our staff gathering novel and other practice as it emerges and analysing it rapidly to draw out relevant points of learning.

We are sharing the resulting insights swiftly with our key contacts across the Welsh public service. The methods of sharing are a significant departure from traditional audit reports with the use of blogs, Tweets and digests emerging as the favoured methods by our audited bodies who wanted information in 'bite size' chunks and formats that were easily digestible by busy people.

To date we have collected over 1000 examples and have published 17 learning blogs, over 100 bilingual tweets, and 10 fortnightly learning digests. We will provide further information on this project in the Annual Report and Accounts for 2020-21.

R9. The Committee recommends that an update on savings and efficiencies is provided following the review of non-pay budgets in Spring 2021.

Detailed budget setting for 2021-22 will take place in the first quarter of 2021. Some of the areas where we expect savings to be delivered include a reduction in translation costs as we deliver shorter, sharper audit reports; further savings on travel and accommodation as we embed new ways of working established in 2020 as well as process savings such as those expected from our re-procurement of outsourced payroll.

R10. The Committee recommends that further information is provided on the level of savings Audit Wales is seeking to achieve in outsourcing its payroll function in a different way.

Audit Wales outsourced its payroll function to CGI in 2014 – achieving annual savings in excess of £25,000. We have now identified further savings of £12,000 per annum by re-procuring this service alongside a re-procurement of the HR system. In addition, we anticipate that process efficiencies from this change will give the HR team more time to focus on organisation development, team well-being and other areas that are value adding.

R11. The Committee requests an update on the development of Audit Wales' work programme for 2021-22, including any impact this will have on the Estimate.

While we are keeping the situation under review, at this stage we are confident that we will be able to deliver a full programme of local audit work in 2021-22 in line with the fee income generation assumptions that informed our Estimate. We expect to continue to be able to work remotely, if necessary, to complete our audit of accounts work in the same way as has proved possible over the past year. We will be looking to develop our local and national performance audit programmes taking account of the wider COVID recovery landscape alongside the wider challenges facing public services.

We will be developing our thinking on the content of those work programmes through the period January to March 2021 to inform our 2021-22 Annual Plan. Some of our current work in progress will flow into 2021-22 and we will be looking to retain some flexibility to respond to possible areas of interest for the new Public Accounts Committee, and other Senedd Committees, following the Senedd elections in May 2021.

Should the Committee consider that there are specific topics that merit inclusion in our work programme then, as ever, we would welcome that feedback

R12. The Committee recommends that further detail is provided on how the £180,000 resource, switched in 2020-21 from fees to Welsh Consolidated Fund funding, will be used in 2021-22.

We are currently working through the options for this stream of work in 2021-22 and the outcome of these considerations will be included in our Annual Plan for that year. We will be taking on board feedback from stakeholders, carrying out post project learning sessions and considering how we prioritise this work given the full extent of all our commitments.

We are planning to undertake similar work in 2021-22 to that seen in the current year, specifically aiming to communicate findings arising from our audits of accounts. We are looking to expand our infographics work to cover more audited bodies and sectors and to expand the information they highlight. Alongside this will be developing the Accounts Commentary for the Welsh Government that we produced in 2020-21. We are also considering developed more themed outputs from our accounts work, either as standalone products or to support our wider work programme.

R13. The Committee recommends that Audit Wales provides a note on the efficiencies associated with bringing audit work in-house and how this has impacted on staff costs at Audit Wales.

The Board, in January 2019, considered an options appraisal for the future delivery of our audit of accounts work currently undertaken by three private sector audit firms. Having considered:

- the historical context for the audit supply contracts and the approaches of other UK public audit institutions;
- the changing nature and scope of the Auditor General's work leading to a much-reduced level of outsourcing compared to historical levels;
- our experience of the audit supply contracts, particularly in terms of the quality of service and their added value;
- evidence of significant increases in audit fees charged by the private sector in the context of our imperative to control fees at a time of financial constraint;
- broader value for money considerations;
- uncertainties in the market pending the conclusion of the EU withdrawal agreement; and
- the ongoing need for us to contract in specialist expertise to meet specific demands.

The Board approved the recommendation that the WAO should not invite tenders for any further framework contract and that all audits of principal and town and community councils should be carried out in-house following completion of the 2019-20 audit round. This decision was subject to the inclusion of an annual review in the Board's work programme.

In terms of staff costs, the original report assumed that overall staff costs would remain largely unchanged as the in-sourcing of audit work would coincide with the loss of EU agricultural funds work from 2021-22. In the event, the agricultural funds audit work has been extended for a further three years. This necessitated an increase in staff cost of £400,000 a year to deliver the work, which is more than offset by the £650,000 of annual fee income generated.

Recent events have provided further assurance for this decision.

- The Redmond Review of local government audit and financial reporting in England was published on 8 September 2020. Overall, Redmond concluded that the audit market in England was fragile, with a significant risk of firms leaving that market. Redmond identified that audit fees paid by English local authorities are at least 25% lower than is required to fulfil current local audit requirements effectively. In addition, according to the oversight body for England, Public Sector Audit Appointments, more than half of local authority audit opinions for 2019-20 missed the extended 30 November deadline. Whilst this hasn't been a problem with the audit contracts in Wales, bringing work back in house gives us more control over the delivery of our audit work.
- As previously reported, in recent years we have experienced some contract management issues associated with our own audit contracts. These included

a need to bring grants certification work from one contractor back in-house early due to problems experienced with that contractor and the fact that a significant element of the 2019-20 Town and Community Council audit work has not been completed.

R14. The Committee recommends that Audit Wales confirms its budget for Data Analytics in 2021-22, including a breakdown of funding from fee income and the Welsh Consolidated Fund.

In June 2020 the Board approved an on-going annual budget of £485,000 for Data Analytics to include staffing and technology. This is to be funded £185,000 from WCF and £300,000 from the contribution to our overheads built into our fee rates. This split (between WCF and fees) reflects the overall funding breakdown for Audit Wales.

Please do not hesitate to contact us if there is any further clarification we can helpfully provide.

Yours sincerely



LINDSAY FOYSTER
Chair, Wales Audit Office



ADRIAN CROMPTON
Auditor General for Wales

Agenda Item 2.2

Llyr Gruffydd MS
Chair of the Finance Committee
Senedd Cymru

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Reference: LF21003/AC248/caf

Date issued: 27 January 2021

Dear Llyr

Wales Audit Office Supplementary Estimate 2020-21

Thank you for your letter of 19th January 2021 in which you confirmed your support for our Supplementary Estimate proposal and requested that we provide further detail on the estimated value of the 2020-21 annual leave accrual for Audit Wales.

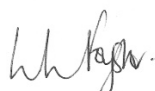
You will recognise that the current financial year has been unprecedented for us all and, like most organisations, our staff have had to adapt to remote working and have found it more difficult to take planned annual leave.

We have continued to stress to staff the importance of taking annual leave when possible for their wellbeing, but, inevitably, our expectation is that staff will accrue more annual leave than would be the case in a normal year.

At the end of 2019-20 the value of accrued annual leave at Audit Wales, as reported in our Annual Report and Accounts, was £521,000 – equivalent to an average of 8.5 days per member of staff. For 2020-21 we expect accrued annual leave balances to increase by around 3 days per member of staff – equivalent to an increased charge to our accounts of £200,000. This increase is a resource adjustment only and does not impact our cash requirement.

As set out in our Supplementary Estimate, this cost has been more than offset by additional income and savings on other budget heads which means we are not seeking any additional funding from the Welsh Consolidated Fund.

Yours sincerely



LINDSAY FOYSTER
Chair, Wales Audit Office



ADRIAN CROMPTON
Auditor General for Wales

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Agenda Item 2.3



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: RE/463/21

Llyr Gruffydd MS
Chair, Finance Committee
Welsh Parliament
Cardiff CF99 1SN

21 January 2021

Dear Llyr,

During Finance Committee on 16 December, I agreed to send the Committee additional information in respect of financial transactions capital and Wales Barnett formula consequentials.

Financial transactions capital

The request was in relation to a list of financial transaction capital spend this year and what we intend to spend next year. As the financial year 2020-21 is not yet complete, I have provided attached (Annex 1) a breakdown of the allocations from reserves that have been made in respect of the current financial year to date. Any further allocations will be reflected in the 3rd Supplementary Budget.

Our plans for spend next year were set out in the draft Budget 2021-22 that was published on 21 December 2020. This included new financial transactions allocations totalling £114.3m. I have included the 2021-22 allocations in the table for ease of reference.

Wales Barnett formula consequentials

A breakdown of the consequentials we received in the 2021-22 Spending Round is provided at Annex 2.

I am placing a copy of this letter in the Welsh Parliament's library.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Financial Transactions Capital Allocations 2020-21 and 2021-22¹

Project/Programme	2020-21 £m	2021-22 £m
Help to Buy Cymru – To help qualifying home buyers purchase a new build home with a low loan-to-value mortgage and provide a boost to the construction industry.	67	74
Development Bank for Wales – Investment funds to provide access to finance for SMEs, support business growth, boost exports and create/safeguard jobs. Includes funds for tourism, rescue and restructure, micro businesses, angel co-investment, commercial property, flexible investment, life sciences etc.	47	5
Land for Housing scheme – Providing loans to Registered Social Landlords to acquire sites in order to accelerate the development of affordable housing schemes.	10	
Economic Development Initiatives – Funding that supports economic growth in Wales	42	
Property Development Funds and Property sector - Helps build new homes, commercial and industrial space.	2	
Cardiff airport and Aviation – To increase commercial potential of aviation industry in Wales and enhance route development.	5	3
Housing and RSL loans – To support delivery of 20,000 homes commitment and housing provision including new innovative developments	64	
Green Growth Wales and Green Infrastructure – To support Wales' renewable energy sector and to increase and accelerate projects to deliver green investment in Wales.	2	
Town Centre Loans and Regeneration Funds – To assist in providing a sustainable future for vacant and under-utilised sites and properties and in doing so supporting vibrant and viable town centres.	10	5
Community Asset Loan Fund	1	1
Electric Vehicle Transformation	8	10
Credit Unions subordinate loans to support compliance with mandatory capital to asset ratios		1
Building safety loans to help maintain and improve the quality of housing stock in Wales and allow residents, leaseholders and tenants to feel safer in their homes.		12
Education to support delivery of the Mutual Investment Model		3

¹ Further allocations to be made in the 3rd Supplementary Budget 2020-21. Figures are rounded to the nearest million, as per latest monitoring information available and do not include repayments due back to the central reserve.

Wales Barnett formula consequentials, Spending Round 2021-22 (£million)

<u>Fiscal Resource Departmental Expenditure Limit</u>	
Non-COVID-19	
Health	422.9
Education	162.2
Local Government	65.1
HM Revenue and Customs	1.9
Transport	12.1
Business Energy and Industrial Strategy	-0.2
Communities	11.6
Environment and Rural Affairs	14.1
Culture, Media and Sport	-2.6
Business Rates Income	7.0
Total non-COVID-19	694.2
COVID-19	
Health	435.4
Education	23.3
Local government	175.4
Transport	121.0
Communities	10.1
Work and pensions	0.8
Total COVID-19	765.9
<u>Total Fiscal Resoure DEL</u>	<u>1,460.1</u>
<u>Capital Departmental Expenditure Limit</u>	
General capital	
Health	65.5
Education	74.7
Communities	-131.9
HM Revenue and Customs	0.5
Transport	15.0
Business Energy and Industrial Strategy	3.7
Environment and Rural Affairs	27.0
Culture, Media and Sport	5.4
Total general capital	59.7
Financial transaction capital	
Education	1.1
Communities	-193.8
Business Energy and Industrial Strategy	1.5
Environment and Rural Affairs	-0.1
Total financial transaction	-191.3
<u>Total Capital DEL</u>	<u>-131.6</u>

Agenda Item 2.4

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MA/RE/4213/20

Llyr Gruffydd MS,
Chair Finance Committee,
Senedd Cymru,
Cardiff Bay,
Cardiff
CF99 1NA

19 January 2021

Dear Llyr,

Thank you for your Committee's scrutiny of the Second Supplementary Budget 2020-21 and the report that followed.

I attach a written response to the recommendations made, together with a restatement annex of the Second Supplementary Budget reflecting the ministerial changes announced on 8th October.

I hope you find these useful.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

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**WELSH GOVERNMENT RESPONSE TO RECOMMENDATIONS FROM THE
FINANCE COMMITTEE REPORT:**

**SCRUTINY OF WELSH GOVERNMENT SECOND SUPPLEMENTARY BUDGET
2020-21**

Recommendation 1

The Committee recommends that the Welsh Government considers how it can provide up-to-date information on its spending commitments in regard of the pandemic, as well as providing transparency on the finance it has available and the consequential it is receiving.

Response: Accept

We welcome the Committee's acknowledgement of the steps the Welsh Government has taken this year to provide as much transparency as possible with regard to the fiscal implications of the pandemic on the Welsh Government's Budget, including the transparency afforded to the Senedd in bringing forward the additional Supplementary Budget.

The challenges in terms of reconciling the UK Government guarantee funding against specific spending decisions in England was highlighted by the Minister for Finance and Trefnydd in the evidence session on the Spending Review on 16 December. Since then, the Minister has written to the Finance Committee confirming arrangements to bring forward a third supplementary budget in the new year which will provide a full account of the funding the Welsh Government has available and spending commitments since the second supplementary budget was published.

Recommendation 2

The Committee recommends that the Welsh Government provides a breakdown of the costs of decommissioning field hospitals, including where funding for that activity falls within announcements accounted for in either the First or Second Supplementary Budget 2020-21.

Response: Accept

Funding of £166m was announced as part of the First Supplementary Budget to open field hospitals across Wales and included costs relating to the decommissioning of the Dragon Heart Field Hospital. Following a reduction in the likely revenue requirements linked to the field hospitals, the £166m was reduced to £141m in the Second Supplementary Budget and includes costs relating to decommissioning and consequential losses of all field hospitals across Wales.

The table below provides the current estimates for decommissioning costs from the Health Boards. There are no decommissioning costs for Aneurin Bevan or Powys Health Boards.

	Decommissioning costs £m
Swansea Bay	3.906
Betsi Cadwaladr	7.928
Cardiff & Vale	9.963
Cwm Taf Morgannwg	0.395
Hywel Dda	4.338
	<u>26.530</u>

Recommendation 3

The Committee recommends that the Welsh Government provides a breakdown of the £1.3 billion provided to NHS organisations for COVID-19 and publishes a breakdown of the detailed costs associated with the stabilisation package.

Response: Accept

The £1.3 billion allocated to the Health and Social Services MEG in the First and Second Supplementary Budgets has enabled Welsh Government to stabilise the financial positions of NHS organisations as they have responded to the impact of Covid-19. The funding has been used to support both local and national plans, including the establishment of the field hospital network, provision of PPE to the health and social care sectors, testing and contact tracing, and use of the independent sector to provide additional hospital capacity.

As at the end of November, £938.7 million had been allocated to individual NHS organisations, including hosted bodies, as follows:

	Covid-19 allocations to 30th November £000
Aneurin Bevan UHB	97,992
Betsi Cadwaladr UHB	116,534
Cardiff and Vale UHB	109,231
Cwm Taf Morgannwg UHB	77,102
Hywel Dda UHB	69,919
Powys	20,279
Swansea Bay UHB	96,803
Public Health Wales NHS Trust	18,136
Velindre NHS Trust	4,328
Welsh Ambulance Services NHS Trust	2,143
Welsh Health Specialised Services Cttee	26,071
NHS Wales Shared Services Partnership	299,856
NHS Wales Informatics Service	310
Total to 30th November	938,705

These amounts represent a combination of full year allocations to organisations for their local plans and funding allocated on an actuals basis as incurred for centrally funded costs. The funding for NHS Wales Shared Services Partnership includes £275 million for PPE for health and social care. A detailed breakdown of the final allocations will be provided at the end of the financial year.

Recommendation 4

The Committee recommends that the third supplementary budget provides further detail on any subsequent funding for Track, Trace and Protect, particularly the protect element of the strategy.

Response: Accept

£1m has been allocated for local authorities to deliver Protect activities such as help with shopping, pharmacy delivery, befriending and support around financial advice and guidance. Local authorities can also use the budget to deliver additional support for individuals around temporary accommodation, substance misuse, mental health and wellbeing and revised care packages. Officials are developing a monthly monitoring report with local authority Protect leads with the first report due shortly.

In addition the £32m Self-Isolation Support Scheme launched on 16 November which offers a £500 payment to people who have been asked to self-isolate through the Test, Trace, Protect programme. The scheme was extended on 14 December to include parents and carers of children who have been asked to self-isolate.

Recommendation 5

The Committee recommends that the Welsh Government provides a breakdown of the funding claimed by each local authority against the funding the Welsh Government has made available, in the next supplementary budget.

Response: Accept

We will publish a breakdown of payments by service area and local authority from the Local Government Hardship Fund, for additional costs and loss of income, on the Welsh Government website before the next supplementary budget.

Recommendation 6

In relation to financial support for transport providers, the Committee recommends that additional information is published detailing the level of funding that transport providers have accessed to date, as well as any further information on the Welsh Government's expectations for further funding in this area in 2020-21.

Response: Accept

Following the end of the third quarter of the current financial year, the Welsh Government, through Local Authorities and Transport for Wales, will be undertaking a reconciliation of funding accessed by transport operators and will do so again following the end of the financial year. This information will be published by local authority as it becomes available.

Recommendation 7

The Committee recommends that the Minister for Finance and Trefnydd continues to strongly argue the case, in conjunction with other devolved administrations, for the relaxation of the annual borrowing limits and drawdown from the Wales reserve.

Response: Accept

We welcome the Committee's continued support with regard to this important issue. Ahead of the Spending Review, the Minister for Finance and Trefnydd, together with the Finance Ministers in Scotland and Northern Ireland, called on the UK Government for three main budget flexibilities, including the ability to carry forward more in the Wales Reserve at the end of the financial year. The Spending Review was silent on these issues.

The fiscal framework sets out the budgetary tools to enable the Welsh Government to manage its finances in as effective a manner as possible and over multiple years. However, the scale of the changes we have seen to the Welsh Government's budget this year and the uncertainties we face are unprecedented. The Minister for Finance and Trefnydd has written again to the Chief Secretary to the Treasury seeking agreement to providing additional flexibilities in respect of managing the resources to respond to the pandemic. We will write to the Committee with an update on the outcomes of those discussions.

Recommendation 8

The Committee recommends that the Welsh Government provides further information on how its reserves have been 'earmarked', at a minimum, in terms of what has been allocated to the COVID-19 reserve and what is available for the end of the EU transition period.

Response: Accept

The Second Supplementary Budget 2020-21 set out at Table 2.2, the Welsh Government's unallocated DEL position at the point of publication. The aggregate unallocated DEL consists of fiscal resource, non-fiscal resource, general capital and financial transactions.

The fiscal resource DEL comprises both the funding that makes up the COVID-19 reserve and the normal reserve that is held for contingency purposes as we move through the financial year. At the time of publishing the Second Supplementary Budget, the unallocated fiscal resource DEL held £923.7m for purposes relating to COVID-19 and £227.7m for other contingencies.

Since then, almost £600m has been allocated from the COVID-19 reserve on a range of measures, including £450m to support businesses under alert level three and four restrictions.

With regard to the end of the EU transition period, we continue to assess the financial implications, and pursue measures to mitigate the impact. Our £50m European Union Transition Fund, announced at the start of 2018, has helped Wales' businesses, public services and most vulnerable people face the end of the transition period with as little disruption as possible. This fund has, for instance, been utilised to support the social care sector, tackle food insecurity, and build up business resilience; areas which have also all been affected by the pandemic. Any further allocations we make this year will be funded through the available unallocated DEL.

However, as set out in the End of Transition Plan, additional funding from the UK Government is critical for delivering actions within the Plan and we continue to call on the UK Government to make that funding available.

Recommendation 9

The Committee recommends that the Minister for Finance and Trefnydd provides the Committee with an update on its correspondence with the UK Chancellor of the Exchequer regarding its requests in terms of EU matters.

Response: Accept

The Minister for Finance and Trefnydd wrote to the Chancellor on 21st October to outline the Welsh Government's main concerns in regards to EU funding matters ahead of the UK Government's Spending Review.

In this letter, the Minister set out the need for additional funding and flexibilities to mitigate the pressures associated with end of transition and transferred functions including requirements for new border infrastructure and stressed that many of the macro financial levers to mitigate the impacts of the economic uncertainty of leaving the EU without a comprehensive trade deal rest at the UK level.

The Minister further highlighted specific concerns in a number of policy areas, including the delays and lack of clarity on the Shared Prosperity Fund, research, development and innovation, European Territorial Co-operation, education and student mobility, and culture and the creative sector.

The Minister also reiterated concerns made earlier (on 20th October) in a joint letter with the Minister for Environment, Energy and Rural Affairs to the Chief Secretary to the Treasury in regards to the proposed approach to replacement EU funds for agriculture and rural development in Wales.

These points were repeatedly emphasised at Ministerial and official level including in a further letter from the Minister for Finance and Trefnydd to the Chancellor dated 13th November, as part of correspondence setting out the Welsh Government's broader priorities ahead of the UK Government's Spending Review.

In this letter, the Minister explicitly made the point again that it was imperative that there was no further delay in sharing the UK Government's approach to the Shared Prosperity Fund, which must fully respect devolution and meet the UK Government's promises that Wales would not be a penny worse off than it would have been had it remained within the EU.

Recommendation 10

The Committee recommends that the Welsh Government works as a matter of urgency to engage with the UK Government and other devolved governments to obtain and publish details of the Shared Prosperity Fund.

Response: Accept

Since the UK Shared Prosperity Fund was announced over three years ago, the UK Government has not meaningfully engaged at Ministerial or official level with the Welsh Government or other devolved governments on its plans. The £220m funding announced for a UK-wide pilot in 2021-22 in the UK Government's Spending Review represents a significant reduction in funding to Wales and creates uncertainty for a wide range of organisations who are working hard to support businesses, communities and individuals when they need it most due to the combined impact of the Covid-19 pandemic and EU exit.

Our Framework for Regional Investment published on 18 November has been developed in partnership with hundreds of organisations from across all sectors – local government, Higher and Further Education, private and third – in Wales, and has been supported by the work of the OECD and a public consultation. It is therefore vital that the hard work we have undertaken together with our stakeholders over the last two years is not lost and that the Shared Prosperity Fund fully incorporates our work and expertise.

Throughout the process of developing a post-EU regional investment policy, we have been in regular dialogue with our counterparts in other devolved governments and have worked together on common approaches to raise the importance of this issue publicly and politically.

We will continue to engage with other devolved governments and press for meaningful engagement with the UK Government, including in regards to how future funding will be distributed and on the role and involvement of the Welsh Government. The Counsel General and Minister for European Transition has written to the Secretary of State for Wales on 22 December to reiterate these points and press for an urgent meeting with both the Communities and Pensions Secretaries as a matter of priority so that we can progress this well in advance of the publication of the Shared Prosperity Funding framework in the Spring.

Recommendation 11

Notwithstanding the potential issues arising from the spending review, the Committee recommends that the Welsh Government works to provide clarity for stakeholders around budgets beyond one-year, in its draft budget 2021-22.

Response: Accept

It is always our aspiration to provide longer-term budgets for our partners and stakeholders when possible, but a significant factor in setting multi-year budgets is the timeframe of our own budget settlement. Despite the UK Government having originally promised a multi-year settlement, we only received a single-year revenue and capital settlement in the UK Government's Spending Review.

The UK Government has published longer-term resource and capital plans for certain programmes, including for the NHS and education. However, these are exclusive to England and do not provide a reliable guide for future funding in Wales, as movements in other programmes not covered by these plans could have a material effect on our overall expenditure limits.

This therefore impacts on the Welsh Government's ability to provide longer-term certainty for the many services and organisations we fund particularly given the fiscal context we are facing. The Chief Economist's report published alongside the Welsh Government's draft budget 2021-22 on 21 December highlights the very great uncertainty we face at the moment, due to the evolving nature of the Covid-19 pandemic and the lack of clarity over the transition path to a new relationship with our key trading partners in the European Union. This is highlighted by the range of scenarios produced by the Office for Budget Responsibility for GDP and unemployment. The report does however show projections of the Welsh Government budget over the next few years which is available to support forward financial planning.

Plans for 2020-21 as at 2nd Supplementary Budget, October 2020

£000s

MAIN EXPENDITURE GROUPS (MEGs)	Resource			Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	9,526,060	190,000	9,716,060	407,488	-	407,488	217,667	-	217,667	10,341,215
Local Government and Public Services	4,815,823	240	4,816,063	615,085	150,505	765,590	828,255	-	828,255	6,409,908
Economy and Transport	2,004,931	192,400	2,197,331	637,315	85,260	722,575	29,525	-	29,525	2,949,431
Education	1,490,143	107,154	1,597,297	219,450	(195)	219,255	(123,801)	863,631	739,830	2,556,382
International Relations and the Welsh Language	207,788	8,882	216,670	32,767	15,746	48,513	3,013	-	3,013	268,196
Energy, Planning and Rural Affairs	417,240	21,675	438,915	118,192	2,000	120,192	2,400	-	2,400	561,507
Central Services and Administration	366,907	16,000	382,907	27,446	1,000	28,446	2,999	-	2,999	414,352
TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs	18,828,892	536,351	19,365,243	2,057,743	254,316	2,312,059	960,058	863,631	1,823,689	23,500,991

Plans for 2020-21 as at 2nd Supplementary Budget, Restated December 2020

£000s

MAIN EXPENDITURE GROUPS (MEGs)	Resource			Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	9,413,209	190,000	9,603,209	402,416	-	402,416	217,667	-	217,667	10,223,292
Housing and Local Government	4,767,165	240	4,767,405	588,685	150,505	739,190	828,255	-	828,255	6,334,850
Economy and Transport	2,008,085	192,400	2,200,485	637,315	85,260	722,575	29,525	-	29,525	2,952,585
Education	1,490,143	107,154	1,597,297	219,450	(195)	219,255	(123,801)	863,631	739,830	2,556,382
Mental Health, Wellbeing and the Welsh Language	309,637	8,882	318,519	37,339	15,746	53,085	3,013	-	3,013	374,617
Environment, Energy and Rural Affairs	465,898	21,675	487,573	144,592	2,000	146,592	2,400	-	2,400	636,565
Central Services and Administration	374,755	16,000	390,755	27,946	1,000	28,946	2,999	-	2,999	422,700
TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs	18,828,892	536,351	19,365,243	2,057,743	254,316	2,312,059	960,058	863,631	1,823,689	23,500,991

MOVEMENTS

£000s

MAIN EXPENDITURE GROUPS (MEGs)	Resource			Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	(112,851)	-	(112,851)	(5,072)	-	(5,072)	-	-	-	(117,923)
Housing and Local Government	(48,658)	-	(48,658)	(26,400)	-	(26,400)	-	-	-	(75,058)
Economy and Transport	3,154	-	3,154	-	-	-	-	-	-	3,154
Education	-	-	-	-	-	-	-	-	-	-
Mental Health, Wellbeing and the Welsh Language	101,849	-	101,849	4,572	-	4,572	-	-	-	106,421
Environment, Energy and Rural Affairs	48,658	-	48,658	26,400	-	26,400	-	-	-	75,058
Central Services and Administration	7,848	-	7,848	500	-	500	-	-	-	8,348
NET MOVEMENT	-	-	-	-	-	-	-	-	-	-

2020-21 2nd SUPPLEMENTARY BUDGET RESTATEMENT FOLLOWING CHANGES IN MINISTERIAL RESPONSIBILITIES

Note: Unless annotated the movements listed below reflect the transfer of BELs between MEGs

HEALTH AND SOCIAL SERVICES (H&SS)											£000s
Plans for 2020-21 as at 2nd Supplementary Budget, October 2020		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		9,526,060	190,000	9,716,060	407,488	-	407,488	217,667	-	217,667	
Transferred Out:	To:										
Mental Health	MHW&WL	(3,029)	-	(3,029)	-	-	-	-	-	-	(3,029)
Substance Misuse Action Plan Fund	MHW&WL	(30,075)	-	(30,075)	(5,072)	-	(5,072)	-	-	-	(35,147)
Food Standards Agency	MHW&WL	(3,737)	-	(3,737)	-	-	-	-	-	-	(3,737)
Research and Development	MHW&WL	(42,075)	-	(42,075)	-	-	-	-	-	-	(42,075)
Health Improvement and Healthy Working ^{Note 1}	MHW&WL	(7,189)	-	(7,189)	-	-	-	-	-	-	(7,189)
Other Direct NHS Allocations ^{Note 2}	MHW&WL	(16,053)	-	(16,053)	-	-	-	-	-	-	(16,053)
A Healthier Wales ^{Note 3}	MHW&WL	(10,000)	-	(10,000)	-	-	-	-	-	-	(10,000)
Older People Carers & People with Disabilities ^{Note 4}	MHW&WL	(693)	-	(693)	-	-	-	-	-	-	(693)
Restated 2nd Supplementary Budget, December 2020		9,413,209	190,000	9,603,209	402,416	-	402,416	217,667	-	217,667	10,223,292

- NOTES
- 1 This BEL has transferred to the MHW&WL MEG but £9,697k has remained in the H&SS MEG in the new 'Health Promotion' BEL
 - 2 This BEL remains in the H&SS MEG but £16,053k has transferred out to the Mental Health BEL within the MHW&WL MEG
 - 3 This BEL remains in the H&SS MEG but £10,000k has transferred out to the Substance Misuse Action Plan Fund BEL within the MHW&WL MEG
 - 4 This BEL remains in the H&SS MEG but £693k has transferred out to the Mental Health BEL within the MHW&WL MEG

HOUSING AND LOCAL GOVERNMENT (H&LG)											£000s
Plans for 2020-21 as at 2nd Supplementary Budget, October 2020		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		4,815,823	240	4,816,063	615,085	150,505	765,590	828,255	-	828,255	
Transferred Out:	To:										
Resource Efficiency and Circular Economy	EE&RA	(38,692)	-	(38,692)	(17,500)	-	(17,500)	-	-	-	(56,192)
Landscape & Outdoor Recreation	EE&RA	(9,966)	-	(9,966)	(8,900)	-	(8,900)	-	-	-	(18,866)
Restated 2nd Supplementary Budget, December 2020		4,767,165	240	4,767,405	588,685	150,505	739,190	828,255	-	828,255	6,334,850

ECONOMY AND TRANSPORT (E&T)											£000s
Plans for 2020-21 as at 2nd Supplementary Budget, October 2020		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		2,004,931	192,400	2,197,331	637,315	85,260	722,575	29,525	-	29,525	
Transferred In: Export, Trade and Inward Investment	From: MHW&WL	3,154	-	3,154	-	-	-	-	-	3,154	
Restated 2nd Supplementary Budget, December 2020		2,008,085	192,400	2,200,485	637,315	85,260	722,575	29,525	-	29,525	2,952,585

EDUCATION (Educ) - No Change											
		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		1,490,143	107,154	1,597,297	219,450	(195)	219,255	(123,801)	863,631	739,830	
Restated 2nd Supplementary Budget, December 2020		1,490,143	107,154	1,597,297	219,450	(195)	219,255	(123,801)	863,631	739,830	2,556,382

MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE (MHW&WL)											£000s
Plans for 2020-21 as at 2nd Supplementary Budget, October 2020		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		207,788	8,882	216,670	32,767	15,746	48,513	3,013	-	3,013	
Transferred In:	From:										
Mental Health	H&SS	3,029	-	3,029	-	-	-	-	-	3,029	
Mental Health ^{Note 1}	H&SS	16,053	-	16,053	-	-	-	-	-	16,053	
Mental Health ^{Note 2}	H&SS	693	-	693	-	-	-	-	-	693	
Substance Misuse Action Plan Fund	H&SS	30,075	-	30,075	5,072	-	5,072	-	-	35,147	
Substance Misuse Action Plan Fund ^{Note 3}	H&SS	10,000	-	10,000	-	-	-	-	-	10,000	
Food Standards Agency	H&SS	3,737	-	3,737	-	-	-	-	-	3,737	
Research and Development	H&SS	42,075	-	42,075	-	-	-	-	-	42,075	
Health Improvement and Healthy Working ^{Note 4}	H&SS	7,189	-	7,189	-	-	-	-	-	7,189	
Transferred Out:	To:										
Export, Trade and Inward Investment	E&T	(3,154)	-	(3,154)	-	-	-	-	-	(3,154)	
International Development	CS&A	(860)	-	(860)	(500)	-	(500)	-	-	(1,360)	
International Relations	CS&A	(6,988)	-	(6,988)	-	-	-	-	-	(6,988)	
Restated 2nd Supplementary Budget, December 2020		309,637	8,882	318,519	37,339	15,746	53,085	3,013	-	3,013	374,617

- NOTES
- 1 This budget has transferred from the Other Direct NHS Allocations BEL which remains in the H&SS MEG
 - 2 This budget has transferred from the Older People Carers & People with Disabilities BEL which remains in the H&SS MEG
 - 3 This budget has transferred from the Healthier Wales BEL which remains in the H&SS MEG

4 This BEL has transferred in from the H&SS MEG but £9,697k has remained in the H&SS MEG in the new 'Health Promotion' BEL

ENVIRONMENT, ENERGY AND RURAL AFFAIRS (EE&RA)											£000s
Plans for 2020-21 as at 2nd Supplementary Budget, October 2020		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		417,240	21,675	438,915	118,192	2,000	120,192	2,400	-	2,400	
Transferred In:	From:										
Resource Efficiency and Circular Economy	H&LG	38,692	-	38,692	17,500	-	17,500	-	-	-	56,192
Landscape & Outdoor Recreation	H&LG	9,966	-	9,966	8,900	-	8,900	-	-	-	18,866
Restated 2nd Supplementary Budget, December 2020		465,898	21,675	487,573	144,592	2,000	146,592	2,400	-	2,400	636,565

CENTRAL SERVICES AND ADMINISTRATION (CS&A)											£000s
Plans for 2020-21 as at 2nd Supplementary Budget, October 2020		Resource			Capital			AME			TOTAL
		Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
		366,907	16,000	382,907	27,446	1,000	28,446	2,999	-	2,999	
Transferred In:	From:										
International Development	MHW&WL	860	-	860	500	-	500	-	-	-	1,360
International Relations	MHW&WL	6,988	-	6,988	-	-	-	-	-	-	6,988
Restated 2nd Supplementary Budget, December 2020		374,755	16,000	390,755	27,946	1,000	28,946	2,999	-	2,999	422,700

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Agenda Item 2.5

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: RE-470-21

Llyr Gruffydd MS
Finance Committee Chair
Senedd Cymru
Cardiff Bay,
Cardiff.
CF99 1NA

2 February 2021

Dear Llyr,

Please find attached a note on Land Transaction Tax (LTT) non-residential rates and thresholds. I agreed to provide this to the Finance Committee during the evidence session on the Land Transaction Tax Statutory Instrument on 8 January.

I will place a copy in the Senedd's library.

Yours sincerely,



Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

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CF99 1NA

Correspondence.Rebecca.Evans@gov.wales
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Land Transaction Tax – Non-residential rates

The Welsh Government has already taken decisions, approved by the Senedd, to provide the most progressive non-residential tax bands and rates of the UK property transaction taxes.

When the Land Transaction Tax (LTT) non-residential rates were set by the Welsh Government, and approved by the Senedd in early 2018, they included a top tax band of 6% applied on consideration greater than £1,000,000. The tax charged on Stamp Duty Land Tax (SDLT) at that point was and remains 5%.

In December 2020, the Welsh Government increased the threshold for the non-residential zero rate tax bands from £150,000 to £225,000. This further enhances the progressivity of the non-residential LTT regime. Welsh non-residential property taxpayers now pay the least tax on transactions up to around £1.1million and the most tax on transactions above that point.

The table below sets out the tax payable on the purchase of a freehold non-residential property at five different price points; £250,000, £500,000, £1,000,000, £5,000,000 and £10,000,000, demonstrating the progressive nature of the tax charged under LTT. Different rates apply to the taxation of rents payable on the grant of a lease.

Table: Example non-residential property tax liabilities for LTT¹, SDLT and LBTT

Transaction value	LTT	SDLT	LBTT
£250,000	£250	£2,000	£1,000
£500,000	£12,750	£14,500	£13,500
£1,000,000	£37,750	£39,500	£38,500
£5,000,000	£157,750	£139,500	£138,500
£10,000,000	£577,750	£489,500	£488,500

1. Rates as applied from 22 December 2020

The Welsh Revenue Authority statistics for land transaction tax (LTT) show in 2019-20 there were 320 non-residential transactions with a taxable value of over £1m of consideration other than rent. Of these, the average value is £3.9m. Of the 320 transactions, 50 were for £5m or more with an average value of £14.9m. These generated £25.7m of tax. Further breakdowns with higher values are not available due to data confidentiality.

In the current financial year to November, there have been 150 transactions for £1m or more, with an average value of £4.1m. There are no further breakdowns by value with the in-year data.

Not all of these transactions will have been liable to pay tax, as some are likely to have been relieved from tax due to the nature of the transaction, for example where ownership of a property is moved within a corporate group. The WRA publishes a breakdown of relief claims¹.

¹ Breakdown of relief claims - https://statswales.gov.wales/Catalogue/Taxes-devolved-to-Wales/Land-Transaction-Tax/landtransactiontaxstatistics-relief-by-measure-transactiontype?_ga=2.198135919.1132258142.1610119444.20259-189915251.1610119444

Outturn data suggests a 1 percentage point increase to the LTT rates on the value of transactions over £5m might raise between £1m and £5m each year – although behavioural effects would be uncertain and the number of high value transactions is liable to vary substantially from year to year. A 1 percentage point increase to the LTT rates on the value of transactions over £20m would be unlikely to raise significant additional revenue.

Increases in tax rates for these more expensive transactions would be expected to reduce both the prices and the number of transactions. The Office for Budget Responsibility's current central assumptions on these behavioural effects are that a 1 percentage point increase in the tax rate would reduce transactions by around 5% and prices by around 2%². However, there remains a significant degree of uncertainty around these estimates.

Land transaction tax statistics are available from StatsWales:

<https://statswales.gov.wales/Catalogue/Taxes-devolved-to-Wales/Land-Transaction-Tax>

² These are published by the OBR here;

<https://obr.uk/download/residential-stamp-duty-land-tax-expected-forecast-evaluation-report-october-2017/>

Senedd Cymru
Welsh Parliament
Agenda Item 2.6
Y Pwyllgor Menter a Llywodraeth a Deddfwriaeth Ychwanegol

Welsh Parliament

External Affairs and Additional Legislation Committee

The Rt Hon Simon Hart MP
Secretary of State for Wales
Office of the Secretary of State for Wales

2 February 2021

Dear Secretary of State,

UK Shared Prosperity Fund

I am writing to invite you to attend a virtual meeting of the Senedd's External Affairs and Additional Legislation Committee ("the Committee").

The Committee would appreciate an opportunity to discuss your planned deployment of the UK Shared Prosperity Fund ("the UKSPF") in Wales, including the total amount of funding that is to be made available to Wales and the mechanism by which you intend to allocate this funding.

Should you be willing to attend a future meeting of the Committee, I would be grateful if your officials could liaise with the Committee's Clerk to finalise arrangements. The Committee meets on Monday afternoons and has meetings scheduled on 22 February, 1 March and 8 March 2021.

I understand that you have accepted an invitation to attend a meeting of the Senedd's Finance Committee in March, a session that might also cover questions about the UKSPF. With this in mind, and as an alternative to appearing before the External Affairs and Additional Legislation Committee separately, I would be content to liaise with the Chair of the Finance Committee to explore whether a joint session might be possible once a date for the Finance Committee meeting has been confirmed.

I thank you for your consideration of this request and hope that you are able to join us at a future meeting.



Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN

✉ SeneddMADY@senedd.cymru

☎ 0300 200 6565

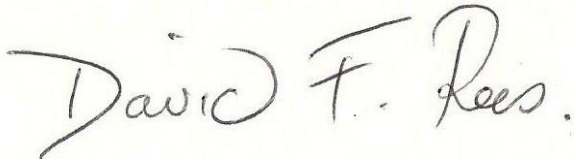
Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN

✉ SeneddEAAL@senedd.wales

☎ 0300 200 6565

I have copied this letter to Llyr Gruffydd MS, Chair of the Finance Committee.

Yours sincerely,

A handwritten signature in black ink that reads "David F. Rees." The signature is written in a cursive style with a large, looped 'D' and 'R'.

David Rees MS

Chair of the External Affairs and Additional Legislation Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: RE-480-21

Llyr Gruffydd MS
Chair of the Finance Committee

09 February 2021

Dear Llyr,

Thank you for your inquiry about the modelling work for free school meals during my evidence on 8 January to the Finance Committee.

As you are aware, on 11 January Adam Price MS tabled a question: "Further to WQ81793, will the Minister publish the modelling work to enhance the eligibility for free school meals?" (WQ81850).

At the time I advised the Minister for Education intended to release the modelling by the end of January 2021. I am now pleased to confirm the document has been laid in the Senedd library where it can be viewed by Members.

For ease of reference, a link to the document in the Senedd Library is below:
<https://senedd.wales/media/50xn41rr/dp-1947-16-21.pdf>

I am copying this letter to Rhun ap Iwerth who raised this during my last OQ session.

I hope this is helpful.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

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Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Prif Swyddfa Hafal
Uned B3
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Ffordd y Ffenics
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Lakeside Technology Park
Phoenix Way
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Swansea
SA7 9FE

Agenda Item 2.8

hafal.org



Llyr Gruffydd MS
Chair
Finance Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

17th February 2021

Dear Mr Gruffydd

Re: Scrutiny of the Welsh Government's Draft Budget 2021-22

As Chief Executive of member-led mental health charity Hafal I am writing to you for clarification of the following Recommendation in the Finance Committee's Scrutiny of the Welsh Government's Draft Budget:

Recommendation 14. The Committee recommends that whilst tackling the increased levels of mental ill health linked to the pandemic, the Welsh Government ensures that investment is made in preventative measures which consider the wider determinants of mental health, such as skills and employability, education, housing, access to green space and physical activity.

We are concerned that this recommendation could be interpreted as support for mental health-specific funding (protected by the ring fence) to be used to fund such additional measures. We recognise the value of such measures in preventing mental ill health, but for the ring fence to have meaning it cannot include such measures which are matters for other budgets: of course the Welsh Government can fund other departments to undertake such measures but this should not be at the expense of mental health services funded under the ring fence.

As indicated in our response to the consultation, Hafal Members believe that funding for mental health services should not be diverted to support the responsibilities of other departments and agencies to play their role in protecting and enhancing the mental wellbeing of their clients, staff and the public.

I would seek your reassurance that the Committee does not support use of ring-fenced funds for such wider purposes.

Yours sincerely

Alun Thomas
Chief Executive

Supplementary Budget Motion 2020-21

Laid Before Senedd Cymru by the Minister for Finance and Trefnydd

February 2021

Supplementary Budget Motion**1. The Senedd is asked to agree the following:**

- This resolution for the year ending 31 March 2021 is made by Senedd Cymru (“the Senedd”) pursuant to Section 126 of the Government of Wales Act 2006 (“the Act”).
2. This Supplementary Budget Motion should be read alongside supporting budget documentation published on 16 February 2021.

Welsh Government**3. The Welsh Government is authorised-**

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2021 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 2021, for use on the services and purposes specified 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.

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

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

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

5. The first condition is that the total resources (other than accruing resources) used during the financial year ending 31 March 2021 for all services and purposes specified in Column 1 of Schedule 1 does not exceed the total of the sum of the amounts specified in Column 2 of that Schedule.

6. The second condition is that the total accruing resources used during the financial year ending 31 March 2021 for all services and purposes specified in Column 2 of Schedule 2 does not exceed the total of the sum of the amounts specified for each part of that Schedule.

7. Under Section 126A of Government of Wales Act 2006, a budget motion for a financial year may include information relating to resources expected to be used by any body that is a

designated body in relation to a relevant person. The resources of bodies designated under the Government of Wales Act 2006 (Budget Motions and Designated Bodies) Order 2018 (as amended) are included in this supplementary budget motion.

Senedd Commission

8. The Senedd Commission is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2021 for the services and purposes specified in Column 1 of Part 1 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 1 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 1 of Schedule 4, during the financial year ending 31 March 2021, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 1 of that Schedule, up to the limit specified for Part 1 of that Schedule; and

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

Public Services Ombudsman for Wales

9. The Public Services Ombudsman for Wales is authorised –

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2021 for the services and purposes specified in Column 1 of Part 2 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 2 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 2 of Schedule 4, during the financial year ending 31 March 2021, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 2 of that Schedule, up to the limit specified for Part 2 of that Schedule; and

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

Wales Audit Office

10. The Wales Audit Office is authorised-

(a) to use resources (not including accruing resources) during the financial year ending 31 March 2021 for the services and purposes specified in Column 1 of Part

3 of Schedule 3, up to a maximum of the corresponding amounts specified in Column 2 of Part 3 of Schedule 3;

(b) in addition, to retain income, within the categories of accruing resources specified in Column 1 of Part 3 of Schedule 4, during the financial year ending 31 March 2021, for use on the services and purposes specified in the corresponding entries in Column 2 of Part 3 of that Schedule, up to the limit specified for Part 3 of that Schedule; and

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

Specification of Categories of Accruing Resources

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

Summary of Resource and Capital Requirements

Welsh Ministers

Ambit	Resources (£000)	Accruing Resources (£000)
Health and Social Services	10,466,690	68,636
Housing and Local Government	5,945,017	29,537
Economy and Transport	4,195,263	84,840
Education	3,574,858	274,511
Mental Health, Wellbeing and the Welsh Language	413,580	4,426
Environment, Energy and Rural Affairs	639,838	106,379
Central Services and Administration	453,502	411,131
Total Resources Requested and Accrued Income relating to Welsh Ministers	25,688,748	979,460

Direct Funded Bodies

Ambit	Resources (£000)	Accruing Resources (£000)
Senedd Commission	60,625	220
Public Services Ombudsman for Wales	5,270	991
Wales Audit Office	8,223	14,270
Total Resources and Accrued Income for Direct Funded Bodies	74,118	15,481

Schedule 1 – Ambits for expenditure incurred by Welsh Ministers

Ambits for expenditure incurred by Welsh Ministers (excluding accruing resources)	
<i>Column 1</i>	<i>Column 2</i>
<i>Services and purposes</i>	<i>Amount £000</i>
<p>Health and Social Services</p> <p>For use by Welsh Ministers to spend on Health and Social Services including promoting, improving or supporting economic, social or environmental well-being.</p> <p>Delivery of core and targeted NHS services including impairments & provisions; supporting education & training of the NHS workforce, and hospices; sponsorship of public health bodies, public health programmes; effective health emergency preparedness arrangements; partnership & integration, sustainable social services, Social Care Wales; funding for the Older People Commissioner; funding for the Children’s Commissioner and CAF/CASS; expenditure on supporting children and any related expenditure and non-fiscal resource use.</p>	<p>10,466,690</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>Housing and Local Government</p> <p>For use by Welsh Ministers to spend on housing, local government and communities including promoting, improving or supporting economic, social or environmental well-being.</p> <p>Funding to support local government including general capital funding and valuation services; building local democracy; supporting collaboration, reform and improvement. Funding for planning and regulation and housing to Increase the Supply and Choice of Affordable Housing and Market Housing; to support people to live independently in their homes through the Supporting People, Independent Living and Integrated Care Fund and to prevent homelessness. Funding to support communities including Regeneration; Financial Inclusion and Digital Inclusion; and Fire and Rescue Services and Resilience. Funding Academi Wales, Care Inspectorate Wales, Healthcare Inspectorate Wales and Estyn. Also includes any related expenditure and non-fiscal resource use.</p>	5,945,017

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>Economy and Transport</p> <p>For use by Welsh Ministers on Economy and Transport including promoting and supporting economic, social or environmental well-being for businesses, individuals, communities and places in Wales.</p> <p>Expenditure on sectors and regional business development; entrepreneurship & business information; export, trade and inward investment; provision of support to improve and progress digital infrastructure; delivering ICT and property related infrastructure; corporate & strategy programmes; Development Bank of Wales; motorway & trunk road operations; improving & maintaining the trunk road network; road, rail, air and sea services and investment; sustainable travel; improving road safety; work based learning; delivering support for skills; skills policy; employment & skills; educational and careers choice and any related expenditure and non-fiscal resource use that provides broader economic benefit to Wales.</p>	4,195,263

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</p> <p>For use by Welsh Ministers to spend on Education including promoting, improving or supporting economic, social or environmental well-being.</p> <p>Expenditure on education and training standards including literacy and numeracy, curriculum, teaching & leadership, qualifications, post-16 education, higher education, pupil development grant, ICT & information management systems and estate & IT provision; youth engagement & employment; well-being of children & young people; post-16 learner support; pupil engagement; Welsh medium and bilingual education; delivery support; innovation; science; life sciences; and any related expenditure and non-fiscal resource use.</p>	3,574,858

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>Mental Health, Wellbeing and the Welsh Language</p> <p>For use by Welsh Ministers on Mental Health, Wellbeing and Welsh Language including promoting and supporting economic, social or environmental well-being for businesses, individuals, communities and places in Wales.</p> <p>Expenditure on delivery of mental health policies & legislation and delivery of the substance misuse strategy implementation plan; the Food Standards Agency; public health programmes; developing and implementing research and development for patient and public benefit; social care and support, tourism and Events Wales to promote Wales; supporting culture and the arts via the Arts Council of Wales, the National Museum of Wales, the National Library of Wales; Creative Wales and other; support for local culture and sport; media and publishing via the Books Council of Wales; supporting the historic and natural environment via Cadw, the National Botanic Gardens and the Royal Commission for the Ancient and Historic Monuments of Wales; promoting sport and physical activity via Sports Wales and others; supporting the Welsh Language and the Welsh Language Commissioner; and any related expenditure and non-fiscal resource use that provides broader economic, social and environmental benefit to Wales.</p>	413,580

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, Energy and Rural Affairs</p> <p>For use by Welsh Ministers on Energy, Planning and Rural Affairs, including promoting, improving or supporting economic, social or environmental well-being.</p> <p>Developing and delivering overarching policy and programmes on sustainable development and natural resources management agriculture, environment, food and marine; develop and implement climate change policy, energy efficiency, Green Growth, a circular economy, green infrastructure, environmental protection, flood & coastal risk, water and sewage policy and legislation; landfill disposal communities scheme; deliver nature conservation and forestry policies; sponsor and manage delivery bodies; developing an appropriate evidence base to support the work of environment and rural affairs; protecting animal, plant and bee health and developing GM policies; promote and support protected landscapes and wider access to green space; administration and delivery of the Common Agricultural Policy; delivering programmes within the Rural Development Plan; supporting new farm entrants, farmers and rural communities in Wales; evidence based development for rural affairs; developing and managing Welsh marine, fisheries and aquaculture including the enforcement of Welsh fisheries; developing and marketing Welsh food & drink and any related expenditure and non-fiscal resource use.</p>	639,838

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 Welsh Ministers to spend on Central Services and Administration and promoting equality; the prevention of violence; advice and advocacy; resilience and civil contingency; youth justice; community support officers; community facilities programme, supporting the voluntary sector, International development and relations.</p> <p>Expenditure on Welsh Government running costs (including staff costs; general administration; asset management; capital and capital charges; IT costs; business improvement; and provisions for early retirement and pensions); the cost of elections and referendum: statistical information and research; funding of external bodies; fiscal responsibilities (including devolved taxation and borrowing); (pan-Wales) procurement services; events and corporate communications; inquiries and investigations; the Invest-to-Save fund; the Land Release Fund; managing the delivery of European funding in Wales; preventing violence against women, domestic abuse and sexual violence; advice and advocacy; resilience and civil contingency; female offending and youth justice blueprints; community support officers; community facilities programme; supporting the voluntary sector; establishing and maintaining Gypsy/Traveller sites; promoting International development and relations and any related expenditure and non-fiscal resource use.</p>	<p>453,502</p>

Schedule 2 – Use of accruing resources by Welsh Ministers

Part 1: Health and Social Services

<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; non-operating income from sale of land, buildings, vehicles, equipment and property and recoveries of VAT; income from rebate schemes and agreements.</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)	68,636

Part 2: Housing and Local Government

<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 grant funding direct or indirect from the European Commission, including the repayment and recovery of grant payments and recoveries of VAT; fees and charges for inspections and regulatory services; income from the sale of capital assets; income from the redistribution of members' interests in investment, income from repayments of Social Housing Grant; provision of training and development events; training provider repayments; charges for dental registration; income from staff secondments; repayment of loans, including staff loans; rental income on property; compensation under commercial and civil settlements and levy of facilitation fees.</p>	<p>Services and purposes include running costs, general administration costs and resource 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.</p>
Overall amount of Income (£000)	29,537

Part 3: Economy and Transport

<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 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; transport studies receipts; compensation under commercial and civil settlements and levy of facilitation fees; and recoveries of VAT.	All European funded projects and to support all expenditure as identified within the expenditure Ambit.
Overall amount of Income (£000)	84,840

Part 4: Education

<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 European Projects, research & evaluation; curriculum royalties; recoveries of Student Loans; funding from the Higher Education Research Capital fund; sales of publications and recoveries of VAT. Accruing resources including repayment and recovery of grant payments; income relating to science and life science activities; fees and charges for inspections and regulatory services; provision of training and development events; income from staff secondments; repayments of staff loans; income from the sale of capital assets; recovery of loans made and any interest charges thereon; ad-hoc recoveries and grants from other sources.</p>	<p>Services and purposes include supporting European projects, CQFW, programme development, research & evaluation current expenditure; to support curriculum current expenditure and to support all expenditure as identified within the expenditure Ambit.</p>
Overall amount of income (£000)	274,511

Part 5: Mental Health, Wellbeing and the Welsh Language

<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 and funding either direct or indirect from the European Commission; business services charges; project contributions and other income from other public sector and private sector organisations; investment income; grant repayments and repayable business finance; admission charges and other operational income for Cadw; the Royal Commission for Ancient and Historic Monuments; the National Botanic Garden of Wales and sponsored bodies; National Museum of Wales; National Library of Wales; Sports Wales and the Arts Council of Wales; income from fixed penalty notices issued under the Food Hygiene Rating (Wales) Act 2013 and recoveries of VAT and other taxes.	All European funded projects and to support all expenditure as identified within the expenditure Ambit.
Overall amount of income (£000)	4,426

Part 6: Environment, Energy and Rural Affairs

<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 funding either direct or indirect from the European Commission including income from European structural funds; income from the EU to support farmers and rural communities in Wales; income from wind farm projects; income from Pwllpeiran Farm; income from the sale of capital assets, including buildings; income from grant recoveries from local authorities, third sector organisations and other public and private sector organisations; civil penalty fines associated with emission trading schemes; income from marine licences; income from the salvage of carcasses from animals slaughtered for disease control, ad-hoc grants from other sources and recoveries of VAT; funding from other central government departments and income related to Environment, Energy and Rural Affairs.</p>	<p>Services and purposes include expenditure relating to Pwllpeiran Farm; grant payments, schemes part supported by other government departments; all European funded projects and to support all expenditure as identified within the expenditure Ambit.</p>
Overall amount of Income (£000)	106,379

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 administrative activity such as: the sale of goods or services; the sale of land or buildings; the recovery of costs; staff secondments and fees; repayment of staff loans; recovery of grant payments; the refund of statutory PAYE deductions; recoveries of tax including VAT; the sub-let of properties; the sale of administrative assets; income from ICT services provided; training provider repayments; recovery of costs shared with other public sector bodies; receipts of recoverable grants including Invest-to-Save receipts; and direct and indirect from the European Commission.</p>	<p>Services and purposes include funding of: running costs and general administrative expenditure; supporting capital expenditure on the Welsh Government's estate and asset base; supporting equality; preventing violence; providing advice; resilience and contingency; female offending and youth justice blueprints; supporting the voluntary sector; community support officers; community facilities programme; International development and relations; and any European funded projects.</p>
Overall amount of Income (£000)	411,131

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

Part 1 – Senedd 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 Senedd Commission on resource and capital costs associated with the administration and operation of Senedd Services to support Senedd Cymru ('the Senedd'); promotion of the Senedd 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 Senedd or functions of the Senedd Commission. Resources other than accruing resources for use by the Senedd Commission in respect of decisions of the Remuneration Board and expenditure in respect of Senedd Members' Pension provision.	60,625

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 resource 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 fiscal items.	5,270

Part 3 – Wales Audit Office

<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 Wales Audit Office on the discharge of the statutory functions of the Wales Audit Office and the Auditor General and on the administration of the Wales Audit Office.	8,223

Schedule 4 – Use of accrued resources by Direct Funded Bodies

Part 1 – Senedd 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 Senedd 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 Senedd.
Overall amount of Income (£000)	220

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)	991

Part 3 – Wales Audit Office

<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, grant certification and related services; grants received to fund audit services ; other recoveries of costs associated with the functions of the Auditor General or Wales Audit Office; miscellaneous income such as from publications, conferences, provision of administrative, professional and technical services; recoveries of costs, such as of seconded staff, staff loans, car leasing payments; recoveries of any costs incurred for a third party; and interest received on working balances.	For use by the Wales Audit Office on the discharge of functions of the Auditor General and on related services and the administration of the Wales Audit Office.
Overall amount of income (£000)	14,270

Schedule 5: Resource to Cash Reconciliation 2020-21 (£000)**Table 1: Resource to cash Reconciliation for 2020-21 included in the October 2020 Supplementary Budget Motion (£000)**

	Welsh Ministers	Senedd Commission	Public Services Ombudsman	Wales Audit Office
Net Resource Requirement	20,800,519	59,075	5,085	7,998
Net Capital Requirement	1,769,722	500	25	230
Adjustments:				
Capital Charges	-405,517	-2,250	-60	-280
Impairments	-369,584	0	0	0
Movements in Provisions	-64,202	-1,600	0	0
Profit/Loss on sale of assets	0	0	0	0
Movements in stocks	0	0	0	0
Movements in debtors/creditors	542,000	350	0	500
Use of Provisions	0	0	0	0
Other	0	0	20	0
Net Cash Requirement for issue from the Welsh Consolidated Fund	22,272,938	56,075	5,070	8,448

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

	Welsh Ministers	Senedd Commission	Public Services Ombudsman	Wales Audit Office
Net Resource Requirement	2,494,108	1,050	160	-5
Net Capital Requirement	624,399	0	0	0
Adjustments:				
Capital Charges	-180,057	0	0	0
Impairments	-590,817	0	0	0
Movements in Provisions	-124,291	-400	0	0
Profit/Loss on sale of assets	0	0	0	0
Movements in stocks	0	0	0	0
Movements in debtors/creditors	-542,000	-650	-160	0
Use of Provisions	0	0	0	0
Other	0	0	-974	0
Net Cash Requirement for issue from the Welsh Consolidated Fund	1,681,342	0	-974	-5

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

	Welsh Ministers	Senedd Commission	Public Services Ombudsman	Wales Audit Office
Net Resource Requirement	23,294,627	60,125	5,245	7,993
Net Capital Requirement	2,394,121	500	25	230
Adjustments:				
Capital Charges	-585,574	-2,250	-60	-280
Impairments	-960,401	0	0	0
Movements in Provisions	-188,493	-2,000	0	0
Profit/Loss on sale of assets	0	0	0	0
Movements in stocks	0	0	0	0
Movements in debtors/creditors	0	-300	-160	500
Use of Provisions	0	0	0	0
Other	0	0	-954	0
Net Cash Requirement for issue from the Welsh Consolidated Fund	23,954,280	56,075	4,096	8,443

Notes:

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

Schedule 6: Reconciliation of resources requested in the budget motion to resources made available by the Treasury for the Welsh Block for 2020-21

Table 1: Reconciliation of Resources Requested in the October 2020 Supplementary Budget Motion to the resources made available by the Treasury for Wales (£000)

	2020-21 (£000)				Total
	Resource DEL	Capital DEL	Resource AME	Capital AME	
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	20,649,874	906,091	150,645	863,631	22,570,241
- Senedd Commission	57,475	500	1,600	0	59,575
- Ombudsman	5,085	25	0	0	5,110
- Wales Audit Office	7,998	230	0	0	8,228
Total Resources Requested in the Annual Budget Motion	20,720,432	906,846	152,245	863,631	22,643,154
<i>Adjustments:</i>					
(i) Resource Consumption of WGSBs	15,003	0	5,413	0	20,416
(ii) Grants	-1,317,168	1,317,168	0	0	0
(iii) Supported Borrowing	0	88,800	0	0	88,800
(iv) Direct Charges on the Welsh Consolidated Fund	3,238	0	804,000	0	807,238
(v) Other	15,060	0	0	0	15,060
Welsh Ministers & Direct Funded Bodies Total Managed Expenditure	19,436,565	2,312,814	961,658	863,631	23,574,668
- Wales Office	5,200	30	0	0	5,230
- Borrowing	0	-125,000	0	125,000	0
- Devolved Taxes	-2,333,313	0	2,333,313	0	0
- Unallocated Reserve	1,057,541	249,905	0	0	1,307,446
Total Managed Expenditure (Block)	18,165,993	2,437,749	3,294,971	988,631	24,887,344

Table 2: Changes to the Reconciliation of Resources Requested in the October 2020 Supplementary Budget Motion to the resources made available by the Treasury for Wales (£000)

	2020-21 (£000)				
	Resource DEL	Capital DEL	Resource AME	Capital AME	Total
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	2,302,551	590,286	191,557	34,113	3,118,507
- Senedd Commission	650	0	400	0	1,050
- Ombudsman	160	0	0	0	160
- Wales Audit Office	-5	0	0	0	-5
Total Resources Requested in the Supplementary Budget Motion	2,303,356	590,286	191,957	34,113	3,119,712
<i>Adjustments:</i>					
(i) Resource Consumption of WGSBs	-4,288	0	-5,413	0	-9,701
(ii) Grants	-246,671	246,671	0	0	0
(iii) Supported Borrowing	-771	0	0	0	-771
(iv) Direct Charges on the Welsh Consolidated Fund	746	0	-112,000	0	-111,254
(v) Other	0	0	0	0	0
Welsh Ministers & Direct Funded Bodies Total Managed Expenditure	2,052,372	836,957	74,544	34,113	2,997,986
- Wales Office	0	0	0	0	0
- Borrowing	0	125,000	0	-125,000	0
- Devolved Taxes	0	0	0	0	0
- Unallocated Reserve	-713,584	-248,411	0	0	-961,995
Total Managed Expenditure (Block)	1,338,788	713,546	74,544	-90,887	2,035,991

Table 3: Reconciliation of Resources Requested in this Supplementary Budget

	2020-21 (£000)				
	Resource DEL	Capital DEL	Resource AME	Capital AME	Total
<i>Resources Requested in the Budget Motion:</i>					
- Welsh Ministers	22,952,425	1,496,377	342,202	897,744	25,688,748
- Senedd Commission	58,125	500	2,000	0	60,625
- Ombudsman	5,245	25	0	0	5,270
- Wales Audit Office	7,993	230	0	0	8,223
Total Resources Requested in the Supplementary Budget Motion	23,023,788	1,497,132	344,202	897,744	25,762,866
<i>Adjustments:</i>					
(i) Resource Consumption of WGSBs	10,715	0	0	0	10,715
(ii) Grants	-1,563,839	1,563,839	0	0	0
(iii) Supported Borrowing	-771	88,800	0	0	88,029
(iv) Direct Charges on the Welsh Consolidated Fund	3,984	0	692,000	0	695,984
(v) Other	15,060	0	0	0	15,060
Welsh Ministers & Direct Funded Bodies Total Managed Expenditure	21,488,937	3,149,771	1,036,202	897,744	26,572,654
- Wales Office	5,200	30	0	0	5,230
- Borrowing	0	0	0	0	0
- Devolved Taxes	-2,333,313	0	2,333,313	0	0
- Unallocated Reserve	343,957	1,494	0	0	345,451
Total Managed Expenditure (Block)	19,504,781	3,151,295	3,369,515	897,744	26,923,335

Notes:

1. The total resource requirement for the Welsh Government is equivalent to the total of the allocations included in the Ambits of Schedule 1.
2. Standing Order 20.28(ii) states that the annual budget motion should include the resources agreed by the Treasury for the Welsh block budget for the financial year covered by the motion. Schedule 6 satisfies this requirement.

3. Standing Order 20.28(iii) states that the annual budget motion must include a reconciliation between the resources allocated to the Welsh block budget by the Treasury and the resources to be authorised for use in the budget motion. Schedule 6 satisfies this requirement.
4. The schedules above show variations authorised for the financial year under S126 of the Act and SO20.31.
5. Direct charges on the Welsh Consolidated Fund are:

Item	2020-21 £000
Payments to the National Loans Fund – Interest ^{Note}	2,474
Election Costs	765
Salaries and related pension costs of the Presiding Officer and the Deputy Presiding Officer	266
Salaries and related pension costs of the Ombudsman	213
Salaries and related pension costs of the Auditor General	206
Salaries and related pension costs of the Chair of the Wales Audit Office	27
Salaries and related pension costs of the Commissioner for Standards	33
Redistributable National Non Domestic Rates	692,000
Total	695,984

Note:

An additional £2,362,000 is estimated to be directly charged to the Welsh Consolidated Fund in respect of the principal repayment of borrowing to the National Loans Fund. This payment is outside Total Managed Expenditure.

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

	Previous Provision 2020-21	Changes	Revised Provision 2020-21
Estimated net amounts payable to Welsh Ministers:			
Grant payable by the Secretary of State to the Welsh Consolidated Fund under Section 118 (1)	19,716,252	761,547	20,477,799
Payover of Welsh Rate of Income Tax to the Welsh Consolidated Fund	2,169,668	0	2,169,668
Funds borrowed from the National Loans Fund and commercial banks under Section 121	125,000	-125,000	0
Payments from Other Government Departments	1,327,527	-47,845	1,279,682
Payments from other sources	1,960,902	-69,317	1,891,585
Less amounts authorised to be retained by Welsh Ministers and Direct Funded Bodies	-990,895	-4,046	-994,941
Estimated amounts payable to Welsh Consolidated Fund	24,308,454	515,339	24,823,793
Distributed as follows:			
- Welsh Ministers	22,272,938	1,681,342	23,954,280
- Senedd Commission	56,075	0	56,075
- Ombudsman	5,070	-974	4,096
- Wales Audit Office	8,448	-5	8,443
Cash Released from the Welsh Consolidated Fund in the Motion	22,342,531	-1,680,363	24,022,894
Direct Charges on the Welsh Consolidated Fund	809,600	-111,254	698,346
Unallocated Funds	1,156,323	-1,053,770	102,553
Total Estimated Payments	24,308,454	515,339	24,823,793

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.

February 2021

SUPPLEMENTARY BUDGET MAIN EXPENDITURE GROUP (MEG)							
Components of the Welsh Government Budget							£000s
MAIN EXPENDITURE GROUP (MEG)	2020-21						
Resource and Capital (Excluding AME)	Resource			Capital			TOTAL
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	
Health and Social Services	9,493,029	220,137	9,713,166	443,641	-00	443,641	10,156,807
Housing and Local Government	5,103,774	213	5,103,987	725,480	184,342	909,822	6,013,809
Economy and Transport	2,671,959	344,400	3,016,359	982,705	155,910	1,138,615	4,154,974
Education	1,657,843	682,291	2,340,134	400,306	155	400,461	2,740,595
Mental Health, Wellbeing and the Welsh Language	308,424	8,974	317,398	78,909	-227	78,682	396,080
Environment, Energy and Rural Affairs	476,505	18,675	495,180	154,658	-00	154,658	649,838
Central Services and Administration	413,770	16,835	430,605	22,137	1,000	23,137	453,742
Total Resource and Capital (Excluding AME)	20,125,304	1,291,525	21,416,829	2,807,836	341,180	3,149,016	24,565,845
MAIN EXPENDITURE GROUP	2020-21						
Annually Managed Expenditure (AME)			Resource			Capital	TOTAL
Health and Social Services			311,019			-00	311,019
Housing and Local Government			717,360			-00	717,360
Economy and Transport			48,500			-00	48,500
Education			-63,176			897,744	834,568
Mental Health, Wellbeing and the Welsh Language			17,500			-00	17,500
Environment, Energy and Rural Affairs			-00			-00	-00
Central Services and Administration			2,999			-00	2,999
Total Annually Managed Expenditure (AME)			1,034,202			897,744	1,931,946
TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs			22,451,031			4,046,760	26,497,791

HEALTH AND SOCIAL SERVICES			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	9,603,209	109,957	9,713,166
Capital	402,416	41,225	443,641
TOTAL RESOURCE AND CAPITAL (Excluding AME)	10,005,625	151,182	10,156,807
Resource AME	217,667	93,352	311,019
Capital AME	0	0	0
TOTAL AME	217,667	93,352	311,019
TOTAL HEALTH AND SOCIAL SERVICES	10,223,292	244,534	10,467,826

HEALTH AND SOCIAL SERVICES						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Core NHS Allocations	8,486,824	-6,908	-121,622	46,700	36,054	8,441,048
Other Direct NHS Allocations	399,060	-23	50,869	0	0	449,906
Health Education Improvement Wales	214,976	0	29,252	0	0	244,228
Public Health Wales	150,323	753	5,492	0	0	156,568
Action: Delivery of Core NHS Services	9,251,183	-6,178	-36,009	46,700	36,054	9,291,750
Workforce (NHS)	34,274	0	254	0	0	34,528
A Healthier Wales	92,200	-1,060	0	2,100	0	93,240
Other NHS Budgets (Expenditure)	47,344	-6,112	22,533	30,280	20	94,065
Other NHS Budgets (Income)	-53,000	0	0	0	0	-53,000
Action: Delivery of Targeted NHS Services	120,818	-7,172	22,787	32,380	20	168,833
Education and Training	20,210	-1,636	960	0	0	19,534
Workforce Development Central Budgets	3,332	0	-1,557	0	0	1,775
Action: Support Education & Training of the NHS Workforce	23,542	-1,636	-597	0	0	21,309
Health Promotion	9,697	0	1,397	0	0	11,094
Targeted Health Protection & Immunisation	5,783	0	9,787	0	0	15,570
Action: Public Health Programmes	15,480	0	11,184	0	0	26,664
Health Emergency Planning	6,025	0	0	0	0	6,025
Action: Effective Health Emergency Preparedness Arrangements	6,025	0	0	0	0	6,025
Safeguarding & Advocacy	2,365	0	0	1,620	0	3,985
Older People Carers & People with Disabilities	2,557	100	1,420	0	0	4,077
Action: Social Care and Support	4,922	100	1,420	1,620	0	8,062
Partnership & Integration	227	0	0	0	0	227
Care Sector	299	0	0	0	0	299
Action: Partnership & Integration	526	0	0	0	0	526
Sustainable Social Services	51,215	0	0	2,000	0	53,215
Action: Sustainable Social Services	51,215	0	0	2,000	0	53,215
Social Care Wales	19,398	0	1,215	0	0	20,613
Action: Social Care Wales	19,398	0	1,215	0	0	20,613
Older People Commissioner	1,589	0	0	0	0	1,589
Action: Older People Commissioner	1,589	0	0	0	0	1,589

Support for Childcare and Play	87,851	-3,000	0	1,500	0	86,351
Support for Children's Rights	800	0	0	0	0	800
Supporting Children	3,289	0	0	6,644	0	9,933
Children's Commissioner	1,580	0	0	0	0	1,580
Support for Families and Children	2,839	0	0	925	0	3,764
Action: Supporting Children	96,359	-3,000	0	9,069	0	102,428
CAFCASS Cymru	12,152	0	0	0	0	12,152
Action: CAFCASS Cymru	12,152	0	0	0	0	12,152
MEG: HEALTH AND SOCIAL SERVICES	9,603,209	-17,886	0	91,769	36,074	9,713,166

HEALTH AND SOCIAL SERVICES						
CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Core NHS Allocations	397,075	19,225	-4,500	19,000	0	430,800
Action: Delivery of Core NHS Services	397,075	19,225	-4,500	19,000	0	430,800
Other NHS Budgets	829	0	0	0	0	829
Action: Delivery of Targeted NHS Services	829	0	0	0	0	829
Health Emergency Planning	4,492	0	0	0	0	4,492
Action: Effective Health Emergency Preparedness Arrangements	4,492	0	0	0	0	4,492
Social Care Wales	20	0	0	0	0	20
Action: Social Care Wales	20	0	0	0	0	20
Support for Childcare and Play	0	0	4,500	3,000	0	7,500
Action: Supporting Children	0	0	4,500	3,000	0	7,500
MEG: HEALTH AND SOCIAL SERVICES	402,416	19,225	0	22,000	0	443,641

HEALTH AND SOCIAL SERVICES			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
NHS Impairments and Provisions - AME	217,667	93,352	311,019
Action: NHS Impairments	217,667	93,352	311,019
MEG: HEALTH AND SOCIAL SERVICES	217,667	93,352	311,019

HOUSING AND LOCAL GOVERNMENT			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	4,767,405	336,582	5,103,987
Capital	739,196	170,632	909,822

TOTAL RESOURCE AND CAPITAL (Excluding AME)	5,506,595	507,214	6,013,809
Resource AME	828,255	-110,895	717,360
Capital AME	0	0	0
TOTAL AME	828,255	-110,895	717,360
TOTAL HOUSING AND LOCAL GOVERNMENT	6,334,850	396,319	6,731,169

HOUSING AND LOCAL GOVERNMENT						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Local Govt General Revenue Funding	3,399,147	0	0	100,000	0	3,499,147
Non-Domestic Rates Rates Relief	359,700	12,000	0	0	5,081	376,781
City & Growth Deals	10,000	0	0	0	0	10,000
Police General Revenue Funding	86,600	0	0	0	0	86,600
Local Govt PFI Revenue Consequences	3,124	0	0	0	0	3,124
Transformation & Legislation	6,052	0	0	1,665	0	7,717
Non-Domestic Rates Collection Costs	5,172	0	0	0	0	5,172
Emergency Financial Assistance	497,910	6,753	0	190,330	4,000	698,993
Action: Funding Support for Local Government	4,367,705	18,753	0	291,995	9,081	4,687,534
Valuation Office Agency Services	8,561	0	0	0	0	8,561
Valuation Tribunal for Wales	1,039	1	0	0	0	1,040
Local Taxation Research & Analysis	100	0	0	0	0	100
Action: Valuation Services	9,700	1	0	0	0	9,701
Sponsorship of the Local Democracy and Boundary Commission for Wales	598	0	0	0	0	598
Expenditure to Promote Local Democracy	50	0	0	0	0	50
Action: Building Local Democracy	648	0	0	0	0	648
Improvement & Support	190	0	0	0	2,239	2,429
Action: Local Government Improvement	190	0	0	0	2,239	2,429
Academi Wales	804	0	0	0	0	804
Action: Academi Wales	804	0	0	0	0	804
Community and Town Councils	95	0	0	0	0	95
Public Services Boards	0	0	0	0	0	0
Action: Supporting Collaboration and Reform	95	0	0	0	0	95
Supporting Communities	483	-61	0	0	1,000	1,422
Children and Communities Grant	135,442	3,000	0	2,300	1,300	142,042
Housing Support Grant	126,763	0	0	0	0	126,763
Action: Early Intervention, Prevention & Support	262,688	2,939	0	2,300	2,300	270,227
Financial Inclusion	24,422	0	0	3,720	0	28,142
Digital Inclusion	1,250	1,060	0	0	0	2,310
Action: Financial Inclusion and Digital Inclusion	25,672	1,060	0	3,720	0	30,452
Fire & Rescue Services	10,425	0	-2,000	0	0	8,425
Fire & Rescue Services - Communication Systems	1,765	-460	2,010	0	0	3,315
Community Fire Safety	848	0	0	0	0	848
Action: Fire & Rescue Services and Resilience	13,038	-460	10	0	0	12,588
Homelessness	27,407	-3700	-4700	0	1608	20,615
Action: Homelessness Prevention	27,407	-3,700	-4,700	0	1,608	20,615
Housing Policy	4,879	0	0	0	60	4,939
Action: Housing Policy	4,879	0	0	0	60	4,939

Housing Finance Grant	13,100	0	0	0	0	13,100
Action: Increase the Supply and Choice of Affordable Housing	13,100	0	0	0	0	13,100
Housing Programme Revenue Funding	1,073	0	0	0	0	1,073
Action: Housing Revenue Funding	1,073	0	0	0	0	1,073
Regeneration	560	0	4,700	0	3,297	8,557
Cardiff Harbour Authority	5,400	0	0	0	600	6,000
Action: Regeneration	5,960	0	4,700	0	3,897	14,557
Planning & Regulation Expenditure	4,596	0	0	74	400	5,070
Action: Planning and Regulation	4,596	0	0	74	400	5,070
Care Inspectorate Wales	14,248	334	0	8	-14	14,576
Action: Care Inspectorate Wales	14,248	334	0	8	-14	14,576
Healthcare Inspectorate Wales	4,379	0	0	0	-3	4,376
Action: Healthcare Inspectorate Wales	4,379	0	0	0	-3	4,376
Estyn - Programme Expenditure	11,223	0	-10	0	-10	11,203
Action: Estyn	11,223	0	-10	0	-10	11,203
MEG: HOUSING AND LOCAL GOVERNMENT	4,767,405	18,927	0	298,097	19,558	5,103,987

HOUSING AND LOCAL GOVERNMENT						
CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Local Govt General Capital Funding	197,837	0	0	0	0	197,837
Action: Local Government General Capital Funding	197,837	0	0	0	0	197,837
City & Growth Deals	0	0	0	0	52,000	52,000
Emergency Financial Assistance	0	0	0	0	17,559	17,559
Action: Funding Support for Local Government	0	0	0	0	69,559	69,559
Supporting Communities	0	0	0	0	1,000	1,000
Action: Early Intervention, Prevention & Support	0	0	0	0	1,000	1,000
Financial Inclusion	-5	0	0	520	0	515
Digital Inclusion	0	743	0	0	0	743
Action: Financial Inclusion and Digital Inclusion	-5	743	0	520	0	1,258
Fire & Rescue Services	1,000	0	0	0	0	1,000
Fire & Rescue Services - Communication Systems	210	0	0	0	0	210
Community Fire Safety	670	0	0	0	0	670
Action: Fire and Rescue Services and Resilience	1,880	0	0	0	0	1,880
Rapid Response Adaption Programme	5,660	0	0	0	0	5,660
Housing Policy	0	0	0	0	10,500	10,500
Action: Housing Policy	5,660	0	0	0	10,500	16,160
Integrated Care Fund	42,000	-7,530	0	0	-2,000	32,470
Action: Integrated Care Fund	42,000	-7,530	0	0	-2,000	32,470
Major Repairs Allowance and Dowry Gap Funding	108,000	0	0	0	0	108,000
Action: Achieve Quality Housing	108,000	0	0	0	0	108,000
Social Housing Grants (SHG)	253,219	-2,977	0	30,000	0	280,242
Land for Housing	10,000	0	0	0	0	10,000
Action: Increase the Supply and Choice of Affordable Housing	263,219	-2,977	0	30,000	0	290,242
Help to Buy Wales Fund and Other Schemes	68,510	0	0	30,000	7,317	105,827
Action: Increase the Supply and Choice of Market Housing	68,510	0	0	30,000	7,317	105,827

Regeneration	51,808	500	0	5,000	28,000	85,308
Action: Regeneration	51,808	500	0	5,000	28,000	85,308
Estyn - Programme Expenditure	281	0	0	0	0	281
Action: Estyn	281	0	0	0	0	281
MEG: HOUSING AND LOCAL GOVERNMENT	739,190	-9,264	0	65,520	114,376	909,822

HOUSING AND LOCAL GOVERNMENT			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Non-Domestic Rates Distributable Amount - AME (Less NDR Rates Relief for COVID-19 response)	804,000	-112,000	692,000
Action: Funding Support for Local Government	804,000	-112,000	692,000
Fire Service Pensions - AME	22,159	1,665	23,824
Action: Fire and Rescue Services and Resilience	22,159	1,665	23,824
Help to Buy Wales - AME	2,096	-560	1,536
Action: Increase the Supply and Choice of Market Housing	2,096	-560	1,536
MEG: HOUSING AND LOCAL GOVERNMENT	828,255	-110,895	717,360

ECONOMY AND TRANSPORT			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	2,200,485	815,874	3,016,359
Capital	722,575	416,040	1,138,615
TOTAL RESOURCE AND CAPITAL (Excluding AME)	2,923,060	1,231,914	4,154,974
Resource AME	29,525	18,975	48,500
Capital AME	0	0	0
TOTAL AME	29,525	18,975	48,500
TOTAL ECONOMY AND TRANSPORT	2,952,585	1,250,889	4,203,474

ECONOMY AND TRANSPORT						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Business and Regional Economic Development (Enabling Initiatives)	3,738	-12,000	1,236,327	377,470	12,000	1,617,535
Entrepreneurship	6,839	0	0	0	2,332	9,171
Social Enterprise and Economy	730	0	0	0	0	730
Business Wales	1,241,764	0	-1,236,327	0	5,538	10,975
Tech Valleys	2,250	0	0	0	0	2,250
Valleys Task Force	100	0	0	0	0	100
Export, Trade and Inward Investment	3,154	0	0	0	0	3,154

Action: Inclusive Growth and Future Proofing the Welsh Economy	1,258,575	-12,000	0	377,470	19,870	1,643,915
Business Finance Funds	0	0	0	0	70,000	70,000
Action: Development Bank of Wales	0	0	0	0	70,000	70,000
Public Sector Broadband Aggregation	8,704	0	0	0	1,776	10,480
Strategic Infrastructure Development	250	0	0	0	0	250
ICT Infrastructure Operations	527	0	0	750	0	1,277
ICT Infrastructure Operations - Non Cash	2,309	0	0	0	0	2,309
Property Infrastructure	4,026	0	0	0	0	4,026
Action: Economic Infrastructure Development	15,816	0	0	750	1,776	18,342
Strategic Policy Development	0	0	0	0	0	0
Healthy Working Wales	531	0	0	0	0	531
Corporate Programmes & Services	259	-61	0	0	0	198
Strategic Business Events and Communications	100	0	0	0	0	100
Action: Corporate Programmes	890	-61	0	0	0	829
Network Asset Management	5,686	0	-2,640	200	0	3,246
Network Operations	58,298	0	2,820	0	3,206	64,324
Action: Motorway & Trunk Road Operations	63,984	0	180	200	3,206	67,570
Network Operations Non Cash	188,691	0	0	0	114,000	302,691
Action: Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash	188,691	0	0	0	114,000	302,691
Aviation	1,705	0	0	0	0	1,705
National Transport Infrastructure	0	0	0	122,200	5,000	127,200
Rail Ancillary	850	0	0	0	0	850
Transport for Wales	338,600	0	0	17,000	7,000	362,600
Transport for Wales Non Cash	0	0	0	0	38,000	38,000
Action: Road, Rail, Air and Sea Services and Investment	341,155	0	0	139,200	50,000	530,355
Bus Support	119,156	0	-13,190	6,500	0	112,466
Smartcards	1,116	0	0	0	0	1,116
Local Transport Priorities	0	0	0	1,100	0	1,100
Concessionary Fares	18,482	0	12,690	0	0	31,172
Youth Discounted Travel Scheme	1,500	0	500	0	0	2,000
Sustainable & Active Travel	630	0	0	0	0	630
Action: Sustainable Travel	140,884	0	0	7,600	0	148,484
Road Safety	3,764	-100	0	400	0	4,064
Action: Improve Road Safety	3,764	-100	0	400	0	4,064
Work Based Learning	101,633	-337	-1,135	0	32,235	132,396
Action: Work Based Learning	101,633	-337	-1,135	0	32,235	132,396
Marketing Skills	600	0	0	0	0	600
Action: Delivery Support - Skills	600	0	0	0	0	600
Skills Policy Engagement	1,556	0	120	0	0	1,676
Action: Skills Policy	1,556	0	120	0	0	1,676
Employability and Skills	55,555	-1,929	1,015	0	4,274	58,915
Parents, Childcare and Employment	0	0	0	0	1,500	1,500
Communities for Work	6,972	0	-180	0	7,820	14,612
Action: Employment and Skills	62,527	-1,929	835	0	13,594	75,027
Careers Wales	19,010	0	0	0	0	19,010
Careers Wales - Non cash	1,400	0	0	0	0	1,400
Action: Educational and Careers Choice	20,410	0	0	0	0	20,410
MEG: ECONOMY AND TRANSPORT	2,200,485	-14,427	0	525,620	304,681	3,016,359

CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Business and Regional Economic Development (Direct Support)	44,238	-3,500	0	0	10,000	50,738
Tech Valleys	7,750	0	0	0	0	7,750
Valleys Task Force	19,500	0	0	0	0	19,500
Action: Inclusive Growth and Future Proofing the Welsh Economy (Support for the Calls to Action)	71,488	-3,500	0	0	10,000	77,988
Business Finance Funds	47,000	0	0	62,000	270,000	379,000
Action: Development Bank of Wales	47,000	0	0	62,000	270,000	379,000
ICT Infrastructure Operations	13,500	1,500	0	0	10,768	25,768
Strategic Infrastructure Development	4,200	0	2,000	0	0	6,200
Property Infrastructure	31,786	0	0	0	0	31,786
Action: Economic Infrastructure Development	49,486	1,500	2,000	0	10,768	63,754
Network Operations	81,579	-503	15,820	20,000	8,125	125,021
Action: Motorway & Trunk Road Operations	81,579	-503	15,820	20,000	8,125	125,021
Aviation	6,800	0	0	0	0	6,800
National Transport Infrastructure	130,223	0	-22,500	0	8,650	116,373
Transport for Wales	206,299	0	0	28,500	0	234,799
Action: Road, Rail, Air and Sea Services and Investment	343,322	0	-22,500	28,500	8,650	357,972
Smartcards	1,000	0	0	0	0	1,000
Local Transport Priorities	31,150	0	33,110	0	0	64,260
Concessionary Fares	0	0	0	0	0	0
Sustainable and Active Travel	90,650	0	-29,810	0	0	60,840
Action: Sustainable Travel	122,800	0	3,300	0	0	126,100
Road Safety	6,900	0	0	500	0	7,400
Action: Improve Road Safety	6,900	0	0	500	0	7,400
Communities for Work	0	0	180	0	0	180
Action: Employment and Skills	0	0	180	0	0	180
Careers Wales	0	0	1,200	0	0	1,200
Action: Educational and Careers Choice	0	0	1,200	0	0	1,200
MEG: ECONOMY AND TRANSPORT	722,575	-2,503	0	111,000	307,543	1,138,615

ECONOMY AND TRANSPORT			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Property Related Infrastructure Impairment - AME	17,525	13,975	31,500
Action: Economic Infrastructure Development	17,525	13,975	31,500
Roads Impairment - AME	0	0	0
Action: Motorway & Trunk Road Operations - Non Cash	0	0	0
Transport for Wales - AME	0	2,000	2,000
Action: Road, Rail, Air and Sea Services and Investment	0	2,000	2,000
Careers Wales - AME	12,000	3,000	15,000
Action: Educational and Careers Choice	12,000	3,000	15,000

MEG: ECONOMY AND TRANSPORT	29,525	18,975	48,500
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EDUCATION			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	1,597,297	742,837	2,340,134
Capital	219,255	181,206	400,461
TOTAL RESOURCE AND CAPITAL (Excluding AME)	1,816,552	924,043	2,740,595
Resource AME	-123,801	60,625	-63,176
Capital AME	863,631	34,113	897,744
TOTAL AME	739,830	94,738	834,568
TOTAL EDUCATION	2,556,382	1,018,781	3,575,163

EDUCATION						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Literacy & Numeracy	6,356	-2,100	0	0	0	4,256
Action: Literacy and Numeracy	6,356	-2,100	0	0	0	4,256
Curriculum & Assessment	3,955	0	0	650	0	4,605
Curriculum Review	5,950	0	0	0	0	5,950
Foundation Phase	148	0	0	0	0	148
Action: Curriculum	10,053	0	0	650	0	10,703
Teacher Development and Support	31,895	0	-171	6,027	3,981	41,732
Action: Teaching and Leadership	31,895	0	-171	6,027	3,981	41,732
Qualifications Wales	9,463	0	0	0	0	9,463
Action: Qualifications	9,463	0	0	0	0	9,463
Further Education Provision	487,711	2,229	-447	47,233	4,232	540,958
Digital Transformation Programme	0	516	1,463	0	0	1,979
Action: Post-16 Education	487,711	2,745	1,016	47,233	4,232	542,937
HEFCW Programme Expenditure	193,357	836	0	50,000	0	244,193
HEFCW Capital	90	0	0	0	0	90
Action: Higher Education	193,447	836	0	50,000	0	244,283
School Improvement Grant	146,799	0	0	1,885	0	148,684
Raising School Standards	22,332	0	0	2,698	0	25,030
School Standards Support	994	0	0	0	0	994
Emergency Funding - COVID-19	0	0	0	30,000	0	30,000
Action: Education Standards	170,125	0	0	34,583	0	204,708
Pupil Development Grant	108,500	0	0	5,000	0	113,500
Action: Pupil Development Grant	108,500	0	0	5,000	0	113,500
Supporting Digital Learning in Education	4,279	0	0	0	0	4,279
Action: ICT & Information Management Systems	4,279	0	0	0	0	4,279
Additional Learning Needs	10,536	0	-845	8,000	0	17,691
Food & Nutrition in Schools	6,765	-2,700	0	0	0	4,065
Post 16 Specialist Placements	13,881	0	0	0	0	13,881

Whole School Approach to Wellbeing	2,000	0	0	0	0	2,000
Vulnerable Groups	1,150	-600	0	0	0	550
Action: Wellbeing of children and young people	34,332	-3,300	-845	8,000	0	38,187
Student Support Grants	390,742	2,800	0	0	0	393,542
Student Loans Company / HMRC Administration Costs	8,723	74	0	0	0	8,797
Student Loans Resource Budget Provision	106,849	3,863	0	0	571,274	681,986
Targeted Student Support Awards	6,297	0	0	0	0	6,297
Action: Post-16 learner support	512,611	6,737	0	0	571,274	1,090,622
Tackling Disaffection	784	0	0	0	0	784
Action: Pupil Engagement	784	0	0	0	0	784
Offender Learning	3,328	0	0	0	3,300	6,628
Youth Engagement & Employment	7,326	3,700	0	0	0	11,026
Action: Youth Engagement & Employment	10,654	3,700	0	0	3,300	17,654
Education Communications	294	-61	0	0	0	233
Research Evidence and International	768	0	0	0	0	768
Action: Delivery Support	1,062	-61	0	0	0	1,001
Welsh in Education	12,325	0	0	0	0	12,325
Action: Welsh in Education	12,325	0	0	0	0	12,325
Business Innovation	500	0	0	0	0	500
Action: Innovation	500	0	0	0	0	500
Science	1,000	0	0	0	0	1,000
Life Sciences	2,200	0	0	0	0	2,200
Action: Science	3,200	0	0	0	0	3,200
MEG: EDUCATION	1,597,297	8,557	0	151,493	582,787	2,340,134

EDUCATION						
CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Education Infrastructure	207,775	0	0	32,860	76,895	317,530
Action: Estate and IT Provision	207,775	0	0	32,860	76,895	317,530
Further Education Provision	3,200	0	0	14,525	6,000	23,725
Action: Post-16 Education	3,200	0	0	14,525	6,000	23,725
HEFCW Programme Expenditure	0	0	0	0	44,000	44,000
Action: Higher Education	0	0	0	0	44,000	44,000
Business Innovation (Economy Futures Fund)	3,456	0	0	0	5,326	8,782
Action: Innovation	3,456	0	0	0	5,326	8,782
Science	4,143	0	0	1,600	0	5,743
Life Sciences	681	0	0	0	0	681
Action: Science	4,824	0	0	1,600	0	6,424
MEG: EDUCATION	219,255	0	0	48,985	132,221	400,461

EDUCATION			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021

	£000s	£000s	£000s
Student Loans - AME	-123,801	60,625	-63,176
Action: Post-16 learner support	-123,801	60,625	-63,176
MEG: EDUCATION	-123,801	60,625	-63,176

EDUCATION			
AME - CAPITAL			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Student Loans - AME	863,631	34,113	897,744
Action: Post-16 learner support	863,631	34,113	897,744
MEG: EDUCATION	863,631	34,113	897,744

MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	318,519	-1,121	317,398
Capital	53,085	25,597	78,682
TOTAL RESOURCE AND CAPITAL (Excluding AME)	371,604	24,476	396,080
Resource AME	3,013	14,487	17,500
Capital AME	0	0	0
TOTAL AME	3,013	14,487	17,500
TOTAL MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE	374,617	38,963	413,580

MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Mental Health	19,775	23	7,600	1,475	75	28,948
Substance Misuse Action Plan Fund	40,075	0	-7,600	1,475	0	33,950
Food Standards Agency	3,737	0	0	0	0	3,737
Research and Development	42,075	325	0	0	-42,400	0
Health Improvement & Healthy Working	7,189	-446	540	0	0	7,283
Action: Mental Health and Wellbeing	112,851	-98	540	2,950	-42,325	73,918
Health Improvement & Healthy Working	102,233	-337	-1,135	0	74,470	175,231
Tourism and Marketing	5,200	0	0	1,040	252	6,492
Events Wales	2,508	0	-600	0	0	1,908
Action: Promote and Protect Wales' Place in the World	7,708	0	-600	1,040	252	8,400
Arts Council of Wales	57,242	0	-7,400	0	0	49,842
Amgueddfa Cymru - National Museums of Wales	23,910	0	0	300	1,450	25,660
National Library of Wales	10,994	0	0	250	500	11,694

Support for Local Culture and Sport	27,762	-887	9,100	27,300	0	63,275
Creative	1,708	0	0	1,000	270	2,978
Action: Support for Culture and the Arts	121,566	-887	1,700	28,850	2,220	153,449
Books Council of Wales	3,730	0	0	0	0	3,730
Action: Media and Publishing	3,730	0	0	0	0	3,730
Cadw	12,711	0	-60	5,700	-600	17,751
National Botanic Garden of Wales	594	0	0	240	0	834
Royal Commission on the Ancient and Historical Monuments of Wales	1,731	0	60	0	0	1,791
Action: Support the Historic Environment	15,036	0	0	5,940	-600	20,376
Sport Wales	35,067	20	-1,640	1,500	0	34,947
Action: Sports and Physical Activity	35,067	20	-1,640	1,500	0	34,947
Welsh Language	19,354	-44	0	0	0	19,310
Welsh Language Commissioner	3,207	0	0	0	61	3,268
Action: Welsh Language	22,561	-44	0	0	61	22,578
MEG: MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE	318,519	-1,009	0	40,280	-40,392	317,398

MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE						
CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Substance Misuse Action Plan Fund	5,072	-3,839	-75	0	0	1,158
Food Standards Agency	0	0	75	0	25	100
Research and Development	0	0	0	0	42,400	42,400
Action: Mental Health and Wellbeing	5,072	-3,839	0	0	42,425	43,658
Tourism (Economy Futures Fund)	20,700	0	0	0	-16,000	4,700
Action: Promote and Protect Wales' Place in the World	20,700	0	0	0	-16,000	4,700
Arts Council of Wales	2,755	3,000	-1,053	0	0	4,702
Amgueddfa Cymru - National Museums of Wales	3,547	0	720	0	0	4,267
National Library of Wales	3,095	0	0	0	0	3,095
Support for Local Culture and Sport	2,430	0	83	0	0	2,513
Creative (Economy Futures Fund)	5,989	0	0	0	0	5,989
Action: Support for Culture and the Arts	17,816	3,000	-250	0	0	20,566
Books Council of Wales	780	0	0	0	0	780
Action: Media and Publishing	780	0	0	0	0	780
Cadw	5,031	0	-20	0	0	5,011
National Botanic Garden of Wales	195	0	0	0	0	195
Royal Commission on the Ancient and Historical Monuments of Wales	15	0	20	0	0	35
Action: Support the Historic Environment	5,241	0	0	0	0	5,241
Sport Wales	3,345	-16	250	0	0	3,579
Repayment of Sports Capital Loans Scheme	-254	0	0	0	27	-227
Action: Sports and Physical Activity	3,091	-16	250	0	27	3,352
Welsh Language Commissioner	385	0	0	0	0	385
Action: Welsh Language	385	0	0	0	0	385
MEG: MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE	53,085	-855	0	0	26,452	78,682

MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Amgueddfa Cymru - National Museums of Wales Pension Provision - AME	2,391	6,609	9,000
National Library of Wales Pension Provision - AME	622	4,378	5,000
Sport Wales Pension Provision - AME	0	2,000	2,000
Action: Museums and Libraries Pensions	3,013	12,987	16,000
Business Support - AME	0	1,500	1,500
Action: Business Support	0	1,500	1,500
MEG: MENTAL HEALTH, WELLBEING AND THE WELSH LANGUAGE	3,013	14,487	17,500

ENVIRONMENT, ENERGY AND RURAL AFFAIRS			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	487,573	7,607	495,180
Capital	146,592	8,066	154,658
TOTAL RESOURCE AND CAPITAL (Excluding AME)	634,165	15,673	649,838
Resource AME	2,400	-2,400	0
Capital AME	0	0	0
TOTAL AME	2,400	-2,400	0
TOTAL ENVIRONMENT, ENERGY AND RURAL AFFAIRS	636,565	13,273	649,838

ENVIRONMENT, ENERGY AND RURAL AFFAIRS						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Environment Legislation & Governance	181	-61	0	0	0	120
Action: Develop and deliver overarching policy and programmes on sustainable development and natural resource management	181	-61	0	0	0	120
Fuel Poverty Programme	3,312	0	0	0	0	3,312
Welsh Government Energy Service	1,636	0	0	400	1,500	3,536
Strategy and Government Relations	2,834	0	0	0	0	2,834
Radioactivity & Pollution Prevention	3,415	0	0	0	0	3,415
Clean Energy	3,235	0	0	600	0	3,835
Action: Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection	14,432	0	0	1,000	1,500	16,932
Flood Risk Management & Water Revenue	27,197	0	0	0	0	27,197
Action: Develop and implement flood and coastal risk, water and sewage policy and legislation	27,197	0	0	0	0	27,197
Local Environment Quality	449	0	200	0	0	649
Community Involvement	60	0	0	-60	0	0

Landfill Disposals Tax Communities Scheme	1,500	0	0	0	0	1,500
Enabling Natural Resources	274	0	0	0	0	274
Biodiversity, Evidence and Plant Health	2,175	0	107	2,000	-1,000	3,282
Forestry	914	0	360	0	0	1,274
Action: Deliver nature conservation and forestry policies and local environment improvement	5,372	0	607	2,000	-1,000	6,979
Natural Resources Wales	61,456	351	-467	0	-9,198	52,142
Action: Sponsor and manage delivery bodies	61,456	351	-467	0	-9,198	52,142
Environment Management (Pwllperian)	38	0	0	0	0	38
Action: Developing an appropriate evidence base to support the work of the Department	38	0	0	0	0	38
Agriculture Strategy	100	0	0	0	0	100
Local Authority Framework Funding	200	0	0	0	0	200
Agriculture Customer Engagement	250	0	0	0	0	250
County Parish Holdings Project	200	0	512	0	0	712
EID Cymru	2,641	0	0	0	0	2,641
Livestock Identification	1,647	0	0	0	0	1,647
Technical Advice Services	358	0	0	0	0	358
Commons Act	0	0	0	0	0	0
Environment Act Implementation	731	0	60	0	0	791
Action: Develop and deliver overarching policy and programmes on Agriculture, Food and Marine	6,127	0	572	0	0	6,699
Agriculture EU Pillar 1 Direct Payments	231,145	0	0	0	11,855	243,000
Agriculture EU Pillar 1 Direct Payments (Income)	0	0	0	0	0	0
Common Agriculture Policy IT	5,748	0	-2,748	0	-3,000	0
Single Payment Scheme Administration	12,048	0	2,022	0	0	14,070
Action: CAP administration and making Payments in accordance with EU and WAG rules	248,941	0	-726	0	8,855	257,070
Rural Development Plan 2014-20	19,502	0	0	0	0	19,502
Action: Welsh Government Rural Communities: Delivering the programmes within the Rural Development Plan 2014-20	19,502	0	0	0	0	19,502
Research & Evaluation	520	0	0	0	0	520
Action: Evidence based development for Rural Affairs	520	0	0	0	0	520
EU Funded Fisheries Schemes	565	0	0	0	0	565
Marine & Fisheries	3,135	0	214	0	0	3,349
Action: Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries	3,700	0	214	0	0	3,914
Promoting Welsh Food and Industry Development	19,800	0	0	-2,415	0	17,385
Action: Developing and Marketing Welsh Food and Drink	19,800	0	0	-2,415	0	17,385
Animal Health & Welfare Framework	58	0	0	0	0	58
Action: Support and Delivery of the Animal Health and Welfare programme/strategy	58	0	0	0	0	58
TB EU Income	-1,300	0	0	0	0	-1,300
Animal and Plant Health Agency	15,281	0	0	0	0	15,281
TB Slaughter Payments Costs & Receipts	10,110	0	0	0	0	10,110
TB Eradication	7,500	0	0	0	0	7,500
Action: Management and delivery of TB Eradication and other Endemic Diseases	31,591	0	0	0	0	31,591
Resource Efficiency and Circular Economy	38,692	0	-200	5,500	0	43,992
Action: Increase Resource Efficiency and Support Transition to a Circular Economy	38,692	0	-200	5,500	0	43,992
Landscape & Outdoor Recreation	9,966	0	0	1,075	0	11,041
Action: Promote and support protected landscapes, wider access to green space	9,966	0	0	1,075	0	11,041
MEG: ENVIRONMENT, ENERGY AND RURAL AFFAIRS	487,573	290	0	7,160	157	495,180

ENVIRONMENT, ENERGY AND RURAL AFFAIRS						
CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Fuel Poverty Programme	23,000	0	0	0	0	23,000
Green Infrastructure	1,402	0	0	0	0	1,402
Welsh Government Energy Service	4,000	-5,270	0	100	-17,000	-18,170
Radioactivity & Pollution Prevention	7,595	0	0	0	0	7,595
Action: Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection	35,997	-5,270	0	100	-17,000	13,827
Flood Risk Management & Water Revenue	37,500	0	-1,500	0	8,000	44,000
Action: Develop and implement flood and coastal risk, water and sewage policy and legislation	37,500	0	-1,500	0	8,000	44,000
Enabling Natural Resources	5,273	0	0	0	0	5,273
Biodiversity, Evidence and Plant Health	25,500	0	-7,169	0	-2,300	16,031
Forestry	150	0	6,503	0	-1,500	5,153
Action: Deliver nature conservation and forestry policies and local environment improvement	30,923	0	-666	0	-3,800	26,457
Natural Resources Wales	1,216	-41	1,050	0	0	2,225
Action: Sponsor and manage delivery bodies	1,216	-41	1,050	0	0	2,225
EID Cymru	2,100	0	-384	0	0	1,716
Commons Act	1,200	0	0	0	0	1,200
Action: Develop and deliver overarching policy and programmes on Agriculture, Food and Marine	3,300	0	-384	0	0	2,916
Common Agriculture Policy IT	1,505	0	0	0	0	1,505
Action: CAP Administration and making payments according to EU and WG rules	1,505	0	0	0	0	1,505
Rural Development Plan 2014-20	9,418	0	1,500	0	0	10,918
Action: Welsh Government Rural Communities: Delivering the programmes within the Rural Development Plan 2014-20	9,418	0	1,500	0	0	10,918
EU Funded Fisheries Schemes	233	0	0	0	0	233
Action: Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries	233	0	0	0	0	233
Promoting Welsh Food and Industry Development	100	0	0	0	2,900	3,000
Action: Developing and Marketing Welsh Food and Drink	100	0	0	0	2,900	3,000
Resource Efficiency and Circular Economy	17,500	2,977	0	20,200	0	40,677
Action: Increase Resource Efficiency and Support Transition to a Circular Economy	17,500	2,977	0	20,200	0	40,677
Landscape & Outdoor Recreation	8,900	0	0	0	0	8,900
Action: Promote and support protected landscapes, wider access to green space	8,900	0	0	0	0	8,900
MEG: ENVIRONMENT, ENERGY AND RURAL AFFAIRS	146,592	-2,334	0	20,300	-9,900	154,658

ENVIRONMENT, ENERGY AND RURAL AFFAIRS			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
NRW Provision for Pensions - AME	2,400	-2,400	0
Action: Sponsor and manage delivery bodies	2,400	-2,400	0

MEG:	ENVIRONMENT, ENERGY AND RURAL AFFAIRS	2,400	-2,400	0
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CENTRAL SERVICES AND ADMINISTRATION			
SUMMARY	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
Resource	390,755	39,850	430,605
Capital	28,946	-5,809	23,137
TOTAL RESOURCE AND CAPITAL (Excluding AME)	419,701	34,041	453,742
Resource AME	2,999	0	2,999
Capital AME	0	0	0
TOTAL AME	2,999	0	2,999
TOTAL CENTRAL SERVICES AND ADMINISTRATION	422,700	34,041	456,741

CENTRAL SERVICES AND ADMINISTRATION						
RESOURCE						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
Staff Costs	201,222	366	3,770	0	10,053	215,411
Action: Staff Costs	201,222	366	3,770	0	10,053	215,411
General Administration Expenditure	27,158	0	-1,201	0	456	26,413
General Administration Expenditure (Capital Charges - Non cash)	16,000	0	0	0	0	16,000
IT Costs	15,673	0	-384	0	77	15,366
Enabling Government	3,721	0	-1,659	0	0	2,062
Action: Running Costs	62,552	0	-3,244	0	533	59,841
Improve Economic & Labour Market Statistics	1,246	0	0	0	0	1,246
Geographical Information	719	0	250	0	-380	589
Data Science	0	0	500	0	0	500
Central Research	1,925	0	0	0	0	1,925
Action: Statistics, Information & Research	3,890	0	750	0	-380	4,260
Future Generations Commissioner Wales	1,509	0	0	0	0	1,509
Land Release Fund	276	0	0	0	0	276
Tribunals	4,161	44	-13	0	0	4,192
Justice Commission in Wales	490	0	0	0	0	490
Public Policy Institute	450	0	0	0	0	450
Chwarae Teg	360	0	0	0	0	360
Action: External Bodies & Services	7,246	44	-13	0	0	7,277
Welsh Revenue Authority	6,196	0	0	0	0	6,196
Welsh Revenue Authority (Non cash)	0	0	0	0	835	835
Devolved Taxes	419	0	0	0	112	531
Cost of Borrowing	2,474	0	0	0	0	2,474
Action: Fiscal Responsibilities	9,089	0	0	0	947	10,036
National Procurement Service	261	0	0	0	959	1,220
e-procurement	3,000	0	0	0	0	3,000
Action: Procurement Service	3,261	0	0	0	959	4,220

Events & Corporate Communications	356	0	0	0	0	356
Elections	0	0	0	0	765	765
Investigations	0	0	0	0	300	300
Economic Research	46	0	0	0	0	46
Central EU Transition Costs	24,250	0	-1,263	0	0	22,987
Action: Other Support Services	24,652	0	-1,263	0	1,065	24,454
Invest to Save	-7,367	2,646	1,250	0	0	-3,471
Invest to Save Fund Repayment	5,352	2,492	-1,250	0	0	6,594
Action: Invest to Save	-2,015	5,138	0	0	0	3,123
Programme Support	1,897	0	0	0	1,057	2,954
Match Funding	0	0	0	0	2,750	2,750
Action: Managing European Funding	1,897	0	0	0	3,807	5,704
Violence against Women, Domestic Abuse and Sexual Violence	6,825	0	0	0	0	6,825
Action: Violence against Women, Domestic Abuse and Sexual Violence	6,825	0	0	0	0	6,825
Community Cohesion	1,600	0	0	0	0	1,600
Equality and Community Cohesion	4,510	0	0	620	0	5,130
Action: Equality and Inclusion	6,110	0	0	620	0	6,730
Advice Services	10,316	0	0	300	391	11,007
Action: Advocacy Services	10,316	0	0	300	391	11,007
Support for the Voluntary Sector and Volunteering	30,625	0	0	10,700	30	41,355
Action: Support for the Voluntary Sector	30,625	0	0	10,700	30	41,355
Community Support Officers	16,750	0	0	0	1,768	18,518
Action: Community Support Officers	16,750	0	0	0	1,768	18,518
Female Offending and Youth Justice Blueprints	487	0	0	191	0	678
Action: Female Offending and Youth Justice Blueprints	487	0	0	191	0	678
Cyber Resilience	0	0	0	0	2,318	2,318
Action: Resilience and Civil Contingencies	0	0	0	0	2,318	2,318
International Development	860	0	350	1,000	0	2,210
International Relations	6,988	0	-350	0	0	6,638
Action: International	7,848	0	0	1,000	0	8,848
MEG: CENTRAL SERVICES AND ADMINISTRATION	390,755	5,548	0	12,811	21,491	430,605

CENTRAL SERVICES AND ADMINISTRATION						
CAPITAL						
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	MEG to MEG Transfers	Transfers Within MEG	COVID-19 Allocations from / Transfer to Reserves	Other Allocations to / from Reserves	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s	£000s	£000s	£000s
General Administration Expenditure	11,679	-1,500	-3,257	0	-3,000	3,922
IT Costs	0	0	2,768	0	0	2,768
Enabling Government	0	0	489	0	0	489
Action: General Administration	11,679	-1,500	0	0	-3,000	7,179
Land Release Fund	5,560	0	0	0	0	5,560
Action: External Bodies and Services	5,560	0	0	0	0	5,560
Welsh Revenue Authority	0	0	0	0	170	170
Action: Fiscal Responsibilities	0	0	0	0	170	170
Invest to Save	2,613	-2,769	3,018	0	0	2,862
Invest to Save Fund Repayment	-2,613	0	-3,018	0	0	-5,631
Action: Invest to Save	0	-2,769	0	0	0	-2,769
Violence against Women, Domestic Abuse and Sexual Violence	2,169	0	0	1,000	0	3,169

Action: Violence against Women, Domestic Abuse and Sexual Violence	2,169	0	0	1,000	0	3,169
Gypsy Traveller Sites	3,200	0	0	0	0	3,200
Action: Gypsy Traveller Sites	3,200	0	0	0	0	3,200
Community Facilities Programme	5,838	0	0	0	0	5,838
Action: Community Facilities	5,838	0	0	0	0	5,838
Support for the Voluntary Sector and Volunteering	0	0	0	150	0	150
Action: Support for the Voluntary Sector	0	0	0	150	0	150
Cyber Resilience	0	0	0	0	140	140
Action: Resilience and Civil Contingencies	0	0	0	0	140	140
International Development	500	0	0	0	0	500
Action: International	500	0	0	0	0	500
MEG: CENTRAL SERVICES AND ADMINISTRATION	28,946	-4,269	0	1,150	-2,690	23,137

CENTRAL SERVICES AND ADMINISTRATION			
AME - RESOURCE			
Budget Expenditure Line	2020-21 2nd Supplementary Budget Restated December 2020	Changes	2020-21 3rd Supplementary Budget February 2021
	£000s	£000s	£000s
CSA Pensions Provisions - AME	2,999	0	2,999
Action: Provisions for Early Retirement	2,999	0	2,999
MEG: CENTRAL SERVICES AND ADMINISTRATION	2,999	0	2,999

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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 Welsh Government today tabled the third supplementary budget for 2020-21 in accordance with Standing Order 20. This supplementary budget proposes changes to the second supplementary budget for 2020-21 as approved by Senedd Cymru ('the Senedd') on 17th November 2020.
- 1.2** This budget reflects the continuing impact of the coronavirus pandemic and consolidates other adjustments arising from the UK Government's Supplementary Estimates. It regularises allocations to and from reserves and transfers between and within portfolios. It also includes adjustments to the budgets of the Senedd Commission, Public Services Ombudsman for Wales and Audit Wales. These changes are summarised in chapter 4.
- 1.3** This document supports the detailed 'Budget Expenditure Line (BEL) Tables' available on the Welsh Government's website.
- 1.4** This supplementary budget reflects the changes to ministerial responsibilities announced on 8 October 2020. A restatement of the second supplementary budget position and details of the budget movements is available on the Welsh Government's website.

2. Coronavirus (COVID-19)

2.1 The ongoing Covid-19 pandemic continues to have an impact on our lives and our communities. Since we published our Second Supplementary Budget, we have reached the first milestone in our vaccination programme. However, the rising cases over the winter months have resulted in a further lockdown and restrictions. It is against this backdrop that we have provided an additional £1.4bn in response to the pandemic, and to mitigate its impact. Since the start of the pandemic we have allocated more than £5bn in response funding.

2.2 Allocations of this magnitude in-year are unprecedented for Wales. The ongoing pandemic has resulting in evolving challenges through the course of the year. In order to best meet these challenges whenever they have occurred, we have retained as much flexibility as possible in our budget. In this third supplementary budget, we are allocating a significant proportion of funding to support businesses who continue to be impacted as a result of the ongoing restrictions. We are also providing substantial funding for education as we recognise the upheaval the pandemic has had on learners, and the need to provide for catch-up and adaptation. Alongside these areas, we are providing more support for the NHS for vaccine delivery and to local government as they stand at the forefront of our response to the pandemic.

2.3 Revenue allocations from central reserves

2.4 This budget allocates £1.1bn in our efforts to respond to Covid-19. This funding is centred around four main pillars.

Health and Public Services

2.5 Throughout the year we have provided funding to health and public services. At the Second Supplementary Budget we allocated £800m to stabilise the NHS. This funding has provided certainty of funding for

NHS organisations across Wales for the remainder of the year, enabling them to respond to the second wave of the virus, alongside normal winter pressures - whilst continuing to further increase access to essential services. The allocations detailed below provide additional funding for specific areas, and extend funding to some public services.

- 2.6** We have allocated **£32m** to a Self-Isolation Support Scheme. This provides a £500 payment to support people who have been asked to self-isolate, or parents and carers of children who have been asked to self-isolate by the Test, Trace, Protect service. To qualify, people must be working but unable to work from home and receiving one of a number of benefits. However, a discretionary element ensures that people who fall outside the main scheme can also apply, for example if someone has temporary immigration status and therefore cannot apply for benefits. The scheme is designed to encourage people to stay-at-home by removing any financial barriers to self-isolating. The inclusion of parents and carers supports the wider efforts of schools and other services to control the spread of the virus.

Although it remains too soon to fully assess the impact of the scheme, feedback so far indicates that it has been beneficial, both in enabling people to self-isolate when they need to and in reducing the negative impacts of self-isolation in households with low incomes. The scheme is therefore important in terms of reducing the impact of Covid-19 on economically vulnerable people and keeping Wales safe.

- 2.7** In addition to the self-isolation support scheme, we recognise that there will be people who face other, non-financial barriers to isolation. They will need public services and the third sector to support them. As part of the 'Protect' element of our Test, Trace, Protect strategy, we have provided **£1m** to local authorities for additional and specialist support for those who are self-isolating. The support provided ranges from help understanding advice, to temporary accommodation either because a

person lives with someone on the shielded list or because they are homeless and cannot safely self-isolate with friends or family. Local authorities lead, coordinate and deliver this support locally, working with the third sector and volunteers to make support available and referring to other specific services – for example, referring to specialist advice services – where appropriate.

This additional support provides a single point of contact and source of advice for those who are particularly vulnerable. It enables local authorities to provide an assessment of support needs, and coordinate and advise on how these needs can be addressed. In doing so this support removes the non-financial barriers to self-isolation and helps to mitigate any negative impact in terms of health and well-being. Taken with the £500 self-isolation payment, individuals are more likely to successfully self-isolate meaning that we can reduce the transmission of Covid-19.

2.8 To further prevent the spread of Covid-19, we have provided **£16.7m** to top up Statutory Sick Pay (SSP) for social care workers to ensure they are financially supported. We know that 90% of the independent care workforce do not receive occupational sick pay meaning that their income reduces to SSP should they need to take time off due to Covid-19. In addition, over 80% of the workforce are female meaning that this reduction to SSP would have a disproportionate impact on women. To determine the implications of this and how best to address it, we convened a working group of external stakeholders who represent care workers, care providers and local authorities (commissioners). As a result we have provided an allocation which serves to raise statutory sick pay to the level of their normal wages if social care workers have to take time off because of Covid-19.

Due to the nature of their work, care workers may be required to self-isolate on several occasions and this would have a significant impact on

their finances. By protecting social care workers from financial hardship as a result of self-isolation, we are protecting the lives of our most vulnerable citizens. In the medium and longer term, supporting enhancements to SSP during Covid-19 aligns with our support for the Fair Work agenda.

- 2.9** Contact tracing is a crucial element of our ability to reduce transmission rates. To deal with the winter wave of Covid-19 cases we have allocated an additional **£15.7m**, taking the total funding for contact tracing to £60.7m. We have provided funding in line with workforce plans across the health boards. It will enable a rapid expansion in contact tracing capacity, over and above what was originally forecast. This is necessary to effectively deal with the current and projected case numbers.

This additional funding will help to ensure efficiency and speed in the tracing system which in turn will prevent the spread of Covid-19.

- 2.10** Alongside our efforts on contract tracing and self-isolation support, the Covid-19 vaccines offer our best hope of a return to the normality after such a difficult period. We aim to reach as many people as safely and as quickly as possible, and to achieve this have begun the biggest vaccination programme Wales has ever seen. This includes delivery through mass vaccination centres, GPs, pharmacies and mobile units. To ensure the success of the programme, we have allocated **£27m** for the deployment of Vaccines. The majority of this funding (£26m) will be provided to health boards for the delivery of the vaccine programme. However, £1m will be provided to the NHS Wales Informatics Service (NWIS) for developing and delivering an all-Wales digital platform to support the vaccine programme, including related costs such as SMS messages and letters by post.

- 2.11** We know how difficult the pandemic has been for people living in care homes and their loved ones. We are keen to support care home

providers in their efforts to ensure that the people they care for can reconnect safely with family and friends. As such, before Christmas we allocated **£3m** to fund the instillation of temporary 'pods' in care homes for visits. This is a pilot scheme to help us to understand whether visiting pods are an effective and practical way of supporting meaningful visits. We will use this learning to determine whether we should consider commissioning a bespoke Wales-based solution in future if the course of the pandemic means this is required.

2.12 Large numbers of households have seen changes in their circumstances as a result of Covid-19. For many, this has led to a deterioration in their finances which has impacted on their ability to pay bills. As a result, there has been an increase in households entitled to the Council Tax Reduction Scheme (CTRS). Unlike the normal maintenance of entitlements, local authorities could not have anticipated the increase in demand for CTRS as a result of Covid-19 when they were formulating their budget plans for the 2020-21 financial year. We have provided an additional **£8.1m** to local authorities to replace the lost income they have experienced through the increased demands for the Scheme, building on the additional funding provided in August. This takes the total amount of Covid-19 support for the scheme to nearly £11m this year. This is on top of our commitment to protect entitlements to CTRS throughout the current Senedd term by providing funding of £244m annually.

2.13 The reduction in household income will not only impact on claims for CTRS, but also on council tax collection rates. During the pandemic, local authorities have additional responsibilities to administer Covid-19 related payments including business grants, self-isolation and SSP enhancement schemes. These additional responsibilities are likely to have impacted on authorities' ability to collect council tax. We have worked with the Welsh Local Government Association and Local Authorities to monitor the situation. On the basis of this data, we have

allocated an additional **£22.6m** to cover 75% of the anticipated loss of council tax income in 2020-21.

Alongside council tax, Non-Domestic Rates (NDR) income represents a significant component of local government funding. NDR income also contributes to the funding of police authorities in Wales. We know that Covid-19 has had a significant impact on businesses, and this is very likely to result in a reduction in the amount of NDR income collected by local authorities this year.

2.14 To recognise the impact of reduced NDR income, we are allocating an additional **£100m** of central funds to the local government and police settlements, while reducing provision from NDR funds by the same amount. This action alleviates any ongoing impact on the NDR funding available for the local government and police settlements in future years.

2.15 Local authorities are facing numerous other challenges. In recognition of this, we established the Local Government Hardship Fund at the beginning of the pandemic to support local authorities with the additional costs associated with Covid-19. Since then, we have allocated over £500m to the fund. The ongoing lockdown has resulted in additional costs for local authorities. These include the provision of free school meals to children at home, funding to cover savings which have not been realised as a result of Covid-19, and funding for necessary digital transformation. We are providing an additional **£92.5m** for local authorities, taking the total allocated to the hardship fund to almost £600m. This funding will enable local authorities to deliver essential services as well as building on the digital progress that has been made during Covid-19.

Supporting the Economy

2.16 Lockdowns have had a significant impact on businesses. Many have been compelled to close, whilst others have become temporarily

unprofitable as a result of the 'stay at home' message. We recognise the substantial impact that this has had on livelihoods and have provided support throughout the pandemic via the Economic Resilience Fund.

2.17 Since October, we have increased business support by **£660m in total** through to the end of March. As the pandemic and associated restrictions have progressed, we have released additional funding to ensure we continue to support businesses. In late November, pre-Christmas restrictions in Wales were announced to tackle the rising number of Covid-19 cases. As a result of these measures we announced funding via the ERF Restrictions Business Fund and ERF Sector Specific Fund to further support businesses. Both elements were directed primarily at the hospitality, tourism and leisure and related supply chain sectors. Since then we have further increased funding to support businesses with the ongoing restrictions associated with Alert level 4. During the latest restrictions package of support, December until the end of March, every business covered by the small business rates relief can access up to a £6,000 payment, and those with a non-domestic rateable value of over £12,001 are eligible for £10,000 payment.

2.18 An initial evaluation of the Economic Resilience Fund, published in December, showed that ERF business grants had directly supported almost 12,000 firms or organisations in Wales and 125,000 jobs (full-time plus part-time), representing around 10.5% of total employment in Wales. Almost 80% of recipient firms were micro businesses, and these firms received an average grant of almost £10,000. Small firms comprised 18% of supported firms with average funding of almost £31,000 per firm. The evaluation found that the wider impacts of the support could be significant, with many thousands of further jobs supported indirectly in related businesses through supply-chain effects

and wage spending effects. This demonstrates the importance and the impact of our business support.

2.19 Lockdowns in particular have had a significant impact on the cultural sector. Venues across Wales have been closed and events cancelled or postponed with an immediate loss of income. In recognition of this impact and the valuable contribution of the sector, we established the Cultural Recovery Fund (CRF) in July. Total revenue funding of £63m is providing essential support to theatres, music venues, heritage sites, libraries, museums, galleries, archive services and independent cinemas, right across Wales - which have all experienced a dramatic loss of revenue due to the Covid-19 pandemic.

The sector employs approximately 85,000 people in Wales, of which almost half are self-employed, and at additional risk from the negative economic effects of the pandemic. The full value of the culture and arts sectors goes beyond employment and economic benefits. Participation in cultural activities is associated with both higher wellbeing and life satisfaction.

The CRF included the first Freelancer Fund in the UK recognising the essential role that individuals play in the economy and in creating and delivering cultural experiences. Since its launch, demand for the fund has been very high and in recognition of how hard the sector has been hit, we have invested an additional **£12.19m** to provide further support, particularly freelancers. The Fund includes resource of £19.4m available for freelancers. In providing cultural recovery funding we will continue to safeguard jobs, to ensure the sustainability of supported organisations and in doing so will protect our socially and economically important cultural assets.

2.20 Alongside the Cultural Recovery Fund, we have provided **£1m** to accelerate the Clwstwr programme which encourages research and development in media production in Wales. This will enable Creative

Wales to develop a skills/talent development programme, a screen (film & TV) development fund and a digital development fund. These programmes would deliver significant growth opportunities and contribute to a strong national brand, helping to promote Wales and its culture and talent to the world.

2.21 As seen in the cultural sector, the sports sector has also suffered as a result of the pandemic. The Spectator Sport Survival Fund was established in January 2021 to ensure the short-to-medium term survival of sports who rely on income from spectators and who have been adversely affected by the necessary restrictions during the pandemic. We have allocated **£17.7m** to this Fund, taking the total funding for the sector as a whole to more than £40m since the start of the crisis.

The Fund will provide immediate financial support to the sector to cover losses, to sustain them through the winter period and ensure they are ready for the beginning of next season. Without this financial support, these sports would have found it very challenging to survive in the coming months without having to make redundancies, cancelling planned matches and/or cutting back on the support they provide to grassroots sport/community sports clubs. We recognise that sport is an important sector for our economy and has a positive impact on our mental and physical wellbeing. There is also considerable evidence of the health benefits arising from participation in sport and exercise, including the prevention of physical and health problems, and savings for health care.

2.22 We recognise that other sectors are also experiencing upheaval. Tourism is facing extreme challenges as a result of restrictions to control the pandemic. We have allocated **£1m** to a tourism and marketing recovery package to support the sector over the first three months of 2021. This package is endorsed by the industry and will help

put businesses on a stronger footing through recovery from the Covid-19 pandemic and re-opening of tourism safely.

Tourism is a key foundational sector; representing around 10% of the Welsh workforce. It contributes disproportionately in rural areas – which are often Welsh speaking – and provides vital employment to under-represented groups such as young people, female and BAME workers. By providing this package we are mitigating the disproportional impacts on these communities and groups.

2.23 The pandemic has also caused disruption to much of the education system.

2.24 Students attending universities have faced huge upheaval due to Covid-19. Many thousands of students have not been able to return to campus yet. In some cases, this means some students might still be paying for their accommodation while they are unable to use it. We recognise how difficult this is, which is why we have allocated an additional **£40m** for student hardship and student mental health. This is in addition to the £10m we provided earlier in the year, taking the total to £50m.

Universities will use the funding to support students facing financial hardship, helping the students most affected by the pandemic with expenses such as accommodation costs. With most students currently being asked to study at home, the funding will also be used to address ‘digital poverty’ among students, to enable better access to online learning, and costs incurred due to the need to self-isolate. In addition, the funding will be used by universities to strengthen advice and support services for students.

2.25 Further education has also been disrupted, particularly for those undertaking vocational qualifications. Some learners cannot obtain their qualification without attending college in person. We recognise the additional costs that Further Education providers face to ensure that face-to-face learning is possible. As such we have previously allocated

£5m to contribute to these costs. However due to the ongoing pandemic, some students have still been unable to complete their qualifications (for example those who require access to care homes to complete practical aspects of qualifications).

2.26 To avoid learners continuing into the next academic year and complicating an already difficult transition to the next stage or level of learning, we have increased the funding of all vocational programmes in 2020/21 by **£26.5m**. This will help towards the goal of as many vocational learners as possible completing within the 2020/21 academic year. It will provide for additional costs, such as of teaching smaller groups, offering twilight learning in the evening, weekend learning, holiday and summer school approaches. It may also be used to bring education closer to the community by hiring local halls, conference centres or warehouses to temporarily operate as workshops, hence investing funds into the local community. We have also provided **£2.5m** of funding for mental health support for staff and learners.

2.27 We have allocated an additional **£2.9m** to provide a higher contribution to running costs, as well as to contribute to the safe running of refectories and nurseries. This funding will therefore provide for safe face-to-face learning where needed as well as keeping learners engaged in other employability activities where this is not feasible. We have allocated **£0.3m** specifically to Bridgend College to support learners with disabilities and learning difficulties. This funding recognises the impacts of Covid-19 on the short term safety of provision for current learners and the long term viability of provision going forward.

2.28 To ensure our FE institutions are fit for the future, we have allocated **£7m** capital for IT infrastructure and digital equipment. With online and blended learning likely to be a key feature of education for some time to come, this is the right time to invest in this IT infrastructure to ensure that there are no obstacles to continued support for all learners.

- 2.29** We have also allocated **£2.6m** to provide digital support for apprentices. Lack of IT equipment and connectivity in all settings disproportionately affects learners from disadvantaged backgrounds. The funding we are providing will enable work-based providers to make laptops and MiFi connectivity devices available to their learners, prioritising those in greatest need. It will also create a flexible set of resources that can be used for innovative delivery of learning beyond the current crisis.
- 2.30** We know from the previous lockdown that this caused issues in Additional Learning Needs (ALN) support. As such we have provided **£9m** funding to support local authorities and FE institutions with the additional costs associated with specialist software, additional sessions to adhere to social distancing, and helping learners with ALN to access blended and remote delivery.
- 2.31** With increased remote learning and our progress with the new Curriculum, ICT is more important than ever. Our successful Hwb programme has delivered several investment initiatives since 2012, to help transform the way digital technology is used for teaching and learning in schools across Wales. As part of this, EdTech ensures value for money through aggregated national negotiations for equipment. We have allocated an additional **£11.9m** capital for an additional 50,000 devices. We are ensuring devices are prioritised to aid the immediate response to school closures.
- 2.32** In such difficult times, it is vital we continue to support people currently in education, who will be instrumental as we rebuild our economy in the wake of the pandemic. This funding will also help tackle inequality, by ensuring the most vulnerable students and those most affected by the pandemic can complete their studies.

Voluntary Sector and Communities

2.33 The Discretionary Assistance Fund (DAF) provides emergency crisis payments for those facing unexpected financial hardship. Many of these people will be the most vulnerable in society due to issues relating to poverty, physical and mental health issues. As such, they are at greater risk from the impacts of Covid-19, be they financial or health. We recognise that the pandemic has placed additional pressures on people and families and as such, we have relaxed the rules around applying for a DAF payment. This provides greater flexibility and discretion to the number and frequency of Emergency Assistance Payments.

We undertake daily monitoring of demand to ensure that the fund is targeted at those most severely affected by the impacts of Covid-19. We can see the increased support the DAF is providing through this data. DAF Emergency Assistance Payment applications increased dramatically, from 15,650 prior to the onset of the pandemic in February, at a cost of almost £365,000, to almost 29,000 applications in November 2020 at a cost of almost £1.5m, a fourfold increase in monthly expenditure.

2.34 To provide continued support for those most in need we have allocated an additional **£3.18m** to the DAF, bringing the total additional funding in 2020-21 to £14.9m.

2.35 We recognise the vital role the third sector have provided in response to the pandemic, offering many invaluable services and advice. They have kept our communities running as well as ensuring vulnerable people and those self-isolating have had access to food and medication. The unprecedented nature of the pandemic has had an impact on their finances and demand for their services. In recognition of this, we announced a £24m Third Sector Response Fund earlier in the year. This fund was to help third sector infrastructure to respond to the crisis, to support the voluntary sector and to support organisations struggling from a loss of fundraising income to survive the crisis.

2.36 However, the second wave of Covid-19 has increased further the pressure on third sector services and their finances. Applications to the Response Fund have now exceeded the previous funding available. We have responded to this increased demand by allocating an additional **£4.7m** as well as refocussing the funds to directly support activities to address the equality impacts of the Covid-19 pandemic, preventing these from becoming entrenched and ensuring organisations are fit for the future.

Overall, the Fund has already supported over 400 third sector organisations to respond to the crisis and adapt for the future. The voluntary services element has enabled almost 9,000 volunteers to help nearly 1 million beneficiaries. The Fund has supported organisations, volunteers, communities and individuals right across Wales and funded projects in every local authority area.

2.37 For more than a decade, we have been developing and deepening community or institution based links and partnerships with sub-Saharan Africa through the Wales and Africa programme. The Covid-19 pandemic has had a profound effect internationally with many organisations in the Welsh International Development sector urgently seeking sources of funding to help them better respond to Covid. Through our Wales and Africa programme we have allocated **£1m** to provide Covid awareness, prevention and vaccine preparedness.

2.38 Unfortunately we are not immune from other challenges during this pandemic. In Wales we have seen several incidents of localised flooding which has resulted in households being evacuated. The pandemic, and particularly, minimising contacts and spread of the virus, means that dealing with flooding is particularly difficult. Retaining people in or returning them to their own homes as soon as possible is essential. We have therefore allocated **£6.5m** to provide a £500 payment for affected households, and to cover the additional administration costs related to responding during the pandemic.

Transport

- 2.39** During 2020-21, we have provided clear advice that journeys should only be undertaken if they are essential. This has been vital to protect the NHS and the people who live in Wales. However, it has had a substantial impact on public transport use. Since the start of the pandemic we have provided £153m for rail services. We are allocating a further **£24m** for further subsidisation for the running of rail services across the Wales and Borders region, covering part of overall cost being incurred in exiting the existing rail services contract as well as the revenue costs associated with mobilising Transport for Wales Rail Limited (TfWRL) to become the new rail service operator.
- 2.40** This will continue to allow the running of rail services during the pandemic, enabling key workers to get to their workplace and for people to continue to be able to access essential services. It is widely accepted that some groups with protected characteristics are more likely to rely on public transport and active travel to access jobs and services because of age, poverty, health or because they are disabled. This additional support will ensure that there is a suitable public transport network in place as we move into recovery.
- 2.41** Taxi drivers provide an important element of the transport network. To ensure that travel is as safe as possible for both drivers and passengers, we have provided **£1m** for PPE packs for drivers. This brings the sector into closer alignment with other public transport operators in Wales. The initiative is the product of close and collaborative working between the National Procurement Service, WLGA, Lyreco, and local authorities. In sourcing the PPE, we have made every effort to source products from local suppliers.
- 2.42** Within the National transport infrastructure there is an allocation of **£92.2m** for interventions in response to the pandemic for economy and transport.

Other Covid-19 allocations

- 2.43** CADW plays an important role in protecting our heritage and taking care of historical properties, delivering significant benefits in terms of the economy and tourism as well as important social and environmental impacts. The pandemic has had a significant impact on CADW income as properties, retail, cafes and events were closed and cancelled. As such, we have provided **£5.1m** to alleviate this pressure and ensure our heritage is protected for everyone to enjoy in the future.
- 2.44** The Planning Inspectorate (PINS) has also experienced a loss of fee income as a result of Covid-19. We have provided funding of **£0.4m** to cover the forecast unfunded commitment.
- 2.45** We have also allocated **£0.8m** for the promotion and support for the Senedd. It is important the people in Wales are able to participate in democratic processes. Communicating the message of the upcoming Senedd election is particularly important for newly enfranchised voters, and those who are typically disengaged. During Covid-19 communications may be more difficult and the messages will need to adapt to fit the developing situation. This funding, in part, will be used for an enhanced communication campaign prior to the Senedd elections with the aim of reaching the entire electorate.
- 2.46** In recognition of the exceptional financial position this year, and to support the portfolios most impacted by the pandemic, we have allocated a contingency fund of £90 million across the budget to enable additional expenditure should it be required before the end of this financial year. The fund is split equally between Health and Social Services; Economy & Transport; and Education and matches provision for Local Government where a £30m contingency has been allocated. Any use of these funds will be reported as part of our Year End report on Outturn

Reconstruction Priorities

- 2.47** The Covid-19 pandemic has affected the lives of everyone across Wales, in many ways. It has had a severe impact on our economy, our society and our communities, and that will continue into the future. It is therefore important that we respond to the likely long-term impact and plan for that future.
- 2.48** We undertook a national conversation to understand the priorities areas that would be key to reconstruction in Wales. Working with both expert reference groups and the broader Welsh public gave us a very clear sense of how people in Wales feel their lives have been most affected by coronavirus, and have been fundamental in the development of our priorities for reconstruction as set out in [COVID-19 Reconstruction: Challenges and Priorities](#)
- 2.49** This has also reaffirmed to us that our existing concerns—the climate emergency, the corrosive impact of poverty, the need to adapt to rapid economic change and the importance of reconfiguring public services to make them more responsive and accessible—and our values and objectives of a more prosperous, equal and greener Wales are the right ones for our nation albeit in a changed context.

In order to deliver on these ambitions, the Welsh Government announced a **£320m** financial package in October last year in support of the reconstruction priorities.

- 2.50** **We will do everything we can to reduce unemployment and give everyone the best chance to find and keep decent work with long term prospects, adding value to the UK Government’s Kickstart programme.**

The increase in unemployment in Wales since the start of the Covid pandemic has been moderated by the support schemes put in place by

both the Welsh and UK Governments. However, any increase is of course a cause for concern and with the clear risk of further increases over the coming year, it is vital that the UK Government maintains its schemes for as long as necessary.

However, the reconstruction work that we have also undertaken is aimed at helping many of the people and businesses whose livelihoods have been lost or turned upside down by lockdown find work and a future, alongside the significant direct business support that we have made available in 2020-21.

We have invested:

- An additional **£2m** revenue funding in retaining skills to support the 3rd sector. This has allowed the extension of the Active Inclusion Fund, run by the Welsh Council for Voluntary Action, supporting projects right across Wales to support unemployed and economically inactive people.
- An additional **£0.3m** revenue funding for Employment Discrimination Advice Services which will offer help to redress the disproportionate impacts of the coronavirus crisis that have fallen upon groups who are already disadvantaged.
- **£0.2m** revenue funding for Development of Social Partnership and Enforcement of workers' rights with measures to support delivery of fair work in Wales, through social partnership.

2.51 We will make sure that our young people do not lose educationally or economically through the effects of Covid or because of any economic downturn that is not of their making.

Evidence shows that the impact of disruption to education and to early labour market experiences can have very long-term adverse effects on a range of outcomes. People with adverse experiences of these kinds

can experience lower incomes, a greater risk of unemployment and poorer health and well-being. Analysis by the Resolution Foundation, the Institute for Employment Studies, and others, has shown that in the current economic difficulties younger people have already suffered disproportionately in the labour market.

In response we have invested in a range of policy measures to help young people “catch up”:

- An additional **£4.9m** capital funding to address digital exclusion in Further Education, this is on top of the **£3.2m** allocated in April 2020. This has provided a firmer foundation for continued blended learning delivery during the 2020/21 academic year, by extending the scope of funding to also include learners on traineeship programmes.
- **£11.68m** revenue funding to deliver free school meals during the October half term, school Christmas holidays, February half term 2021 and the school Easter holidays 2021. This is addition to the **£40m** which we had already allocated to ensure the continuity of provision in lieu of free school meals during the COVID 19 outbreak up to 31 August 2020. This brings our total additional investment for FSMs this year to **£60.5m**.
- **£30m** capital funding in our Education Infrastructure programmes, which have an established, strong and sustainable pipeline of projects. These construction projects will support economic growth, innovation and sustainable jobs for some of the lower paid sectors in Wales.
- **£10m** revenue funding to support an increase in Further Education learners enrolling due to higher than anticipated grades and because of the limited options in the labour market.
- An additional **£10m** revenue funding provided in Higher Education to provide increased support to students facing financial, emotional or mental health difficulties. This is in addition to the £40m for student hardship and student mental health, taking the total to £50m.

- An additional **£5m** revenue funding for the Pupil Development Grant Access fund to provide funding across all 22 local authorities in Wales to enable them to provide additional developmental support to children regardless of geography, by building on the successful approaches of our existing early intervention and prevention programmes.
- **£9.5m** revenue funding to support learners towards qualifications. This additional support for schools and colleges aims to enable all our young people to stay in education and to catch up at school and college. Particularly focussing on disadvantaged groups.
- **£0.01m** revenue funding to Care Inspectorate Wales. This money will support immediate activity over the next 6 months between Welsh Government and local authorities to reduce variation of performance regarding looked after children rates. It will facilitate peer review workshops between authorities about good practice and consistency.
- **£3.8m** revenue funding to Childcare, Play and Early Years to help address some of the additional costs resulting from the Covid-19 pandemic and the specific adaptations required to ensure premises can operate in a Covid-secure manner.
- **£0.1m** revenue funding for the Care Aims Framework. The funding will provide training for Speech, Language and Communication professionals to enable them to become more effective and responsive in delivering support for children and families who need it.
- **£0.02m** revenue funding to establish a reference group to advice upon culturally appropriate training for staff involved in the delivery of advocacy services.
- **£1m** revenue top-up funding for St David's Day fund. Funding will have an immediate impact on vulnerable young people who are struggling with poverty, financial hardship and those at risk of losing independence/tenancies due to Covid-19 related impacts.

- **£0.05m** revenue funding on specialist training for foster carers on complex needs, children in custody and unaccompanied asylum seeking children.
- **£3m** revenue funding for Family Justice to help relieve court backlogs and supporting exits from care.
- **£0.86m** capital funding to continue to invest in the Flying Start and Early Years landscape in Wales and support our existing poverty programmes to ensure that they have the maximum impact on the lives of children living in poverty as we transition out of the initial crisis period.
- **£0.07m** revenue funding to support the development of a Reduction Transformation Team to provide advice and support across Welsh Local Authorities who continue to experience a large increase in children coming into care.
- **£5m** capital funding to enable Childcare, Play and Early Years Provision to operate in a Covid-secure manner and to allow local authorities to increase access to outdoor play facilities.
- **£2.2m** revenue funding to the Family Group Conferencing to help prevent the need for children to be taken away from their families and make progress on the reduction targets for looked after children.
- **£0.8m** revenue funding promoting family stability and relationship quality. To provide support to families who are experiencing difficulties in their relationships, helping to resolve conflict and reduce the stress on the family as a result of Covid-19 and lockdown.
- **£0.12m** revenue funding for the extension of the Early Years Integration Transformation Programme enabling children to have the best start in life through safeguarding, educating, supporting and promoting the rights of children and young people.

- **£2.35m** revenue funding for face coverings for every secondary school age learner and all full time college learners in Wales for 2020/21.
- **£0.32m** revenue funding to National Fostering Framework to support vulnerable children in Wales.
- **£2m** revenue funding to allow us to extend the scope of the Child Development Fund to provide additional resources to local authorities to extend the support available to address concerns around, speech, language and communication delay, fine and gross motor skill delay and personal and social development.

2.52 We will step up construction of council and social housing to increase access to high quality housing across Wales, in particular investing in low carbon housing.

Housing is an incredibly important factor in people lives, and we believe that everyone should have a home that is of good quality, and that no one should be homeless. Good-quality homes are the bedrock of good communities and form the basis for individuals and families to flourish in all aspects of their lives, include having a demonstrable impact on health and well-being. By investing in housing that is of a good quality, alongside supporting our homelessness prevention programmes, we can make a real difference in improving the lives of the most vulnerable in society. In addition, we know that investment in our house building programmes provides a stimulus to the construction sector.

- We are investing an additional **£30m** of financial transactions capital (FTC) in our Property Development Fund and Wales Stalled Sites Fund. This funding is supporting SME property developers to bring forward market and affordable housing with the multiplier effect to the local economy and skilled jobs they create and retain. This provide valuable

support for Welsh SMEs in the supply chain, whilst supporting the development of an estimated 1,500 new homes.

- Among the other investments we are making under this priority, we are protecting the delivery of our affordable housing and retrofit programmes with an additional **£20m** investment in our successful Innovative Housing Programme. We have stepped up construction of council and social housing to increase access to high quality housing across Wales, in particular investing in low carbon housing.
- **£10m** Capital funding for Social Housing Grant Main Programme to ensure that families and individuals who need it most have access to housing that enables them to thrive.

2.53 We will step up our investment in our local town centres to help build resilient communities

Covid-19 has accelerated the need to rethink how we use town and city centres. We have sought to build on the new sense of community generated by the pandemic by looking to encourage multiple reasons to visits to town centres, not just to shop, but also to access leisure, services and working facilities, supporting our policy of ‘Town Centre First’. The investments we have made under this priority are:

- **£5m** capital funding in the Strategic Sites Acquisition Fund, which is supporting Local Authorities to acquire key town centre land and buildings to prevent future demise of our towns.
- **£4m** revenue funding and **£0.15m** capital funding in Community and volunteering through Local Authorities to develop and implement proposals which sustain volunteering and community action during recovery and at the same time improve or introduce new systems and support arrangements.

- **£2m** revenue funding to accelerate action on biodiversity, which will support extensive planning and preparatory works by Local Nature Partnerships and third sector organisations to strengthen delivery on biodiversity in 2021-22.
- **£0.7m** revenue funding for the continuing implementation of the Local Government and Elections (Wales) Bill.
- **£5.5m** revenue funding and **£7.7m** capital funding for Circular Economy Programme to allow expanding re-use and repair shops to promote a green recovery in our town centres. This has enabled investment in 36 projects, built on partnerships between local authorities, town councils and the third sector.

2.54 We will continue to respond energetically to the climate emergency by pursuing a strong decarbonisation agenda, managing our land for the benefit of rural communities and future generations and protecting and enhancing our natural resources

The Covid-19 pandemic has highlighted the importance of our natural resources, and the need to ensure that our investments help us to build for a greener future as part of our values based recovery.

- **£2m** capital funding to Swansea University Health Board Solar Farm to provide renewable energy into the Morriston Hospital site as part of efforts to meet the target of a carbon neutral public sector by 2030, as well as reducing energy costs.
- Additional capital funding of **£12.5m** to Circular Economy Fund to local authorities and publicly funded bodies in order to fund around 50 additional projects that are contributing to the green recovery. These are contributing to developing the green jobs of the future and increasing the rate of recycling and decarbonisation across Wales.

- **£0.4m** additional funding of Local Renewable Energy to upscale and accelerate innovative action to unlock investment in energy projects across renewables, energy efficiency and transport.
- **£0.4m** revenue funding and **£0.1m** capital funding on Welsh Government Energy Service Green Stimulus with a delivery of energy efficiencies measures.
- **£0.2m** additional funding to Smart Living Hydrogen Hubs. Funding to support the requirement specification and technical design of a green hydrogen hub.
- **£1.08m** revenue funding to allow our National Parks to engage with visitors and communities, building an asset and legacy for generations to come.

2.55 We will take the opportunities offered by changing working and travel patterns to build on trials of demand responsive public transport, working with trades unions, local authorities and passengers and put a clear emphasis in our new Transport Strategy on minimising the need to travel.

We understand that most people cannot work from home and that many of us will continue to rely on public transport to get us to and from work. In addition, it is widely accepted that some groups with protected characteristics are more likely to rely on public transport and active travel to access jobs and services because of age, poverty, health or because they are disabled.

The investments we have made under this priority are:

- **£6.5m** revenue funding, which will allow the delivery of a range of public transport interventions across Wales. For example, in addition to the increased funding for bus and rail services to sustain them during the current period of low public usage, we have funded a programme

intended to pilot the reform of bus services, building on the Fflecsi trials of demand responsive bus services which are already underway.

- **£0.2m** revenue funding - Decarbonisation of Transport - To procure additional external resource to advise and support the development of strategies, plans and programmes to decarbonise Transport.
- **£0.4m** revenue funding and **£0.5m** capital funding to move forward with the roll-out of 20mph zone pilots across Wales, commence consultation on legislative change, and develop campaign strategy.

2.56 We will focus on the ‘everyday’/foundational economy and support the growth and independence of Welsh-headquartered businesses in order to build the resilience of the Welsh economy in the face of Covid-19 and the end of the EU Transition Period.

Taken together we are focussing on securing the future of small and medium sized enterprises, the majority of which are headquartered in Wales, by co-funding investments in adapting to the new realities we face. We are also providing specific support to the tourism and hospitality sectors which have been so badly hit by the pandemic which are vital to maintaining jobs in Wales that we protect the tourism, hospitality and cultural sectors in our economy.

To support the separate significant investment we have made in 2020-21 through our Economic Resilience Fund, our other allocations include:

- An additional **£30m** of financial transactions capital to boost our Wales Flexible Investment Fund increasing our capacity to alleviate the pressures that are arising due to reduced EU funding being available, and allowing continued investments in businesses across South Wales.
- An additional **£24m** of financial transactions capital to boost our Wales Tourism Investment Fund.
- **£20m** capital funding for Strategic Roads Programme to start to tackle the maintenance backlog and allow capital works to be delivered in 2020-21 benefitting the construction sector.

- **£0.75m** revenue funding Superfast Broadband to expand the Superfast Business Wales programme that supports businesses to adopt digital technologies.

2.57 We will support the NHS to make up lost ground in terms of treatment of non-Covid-related conditions.

Delivery of urgent Covid-19 response measures have had a significant impact across the NHS in Wales. In recognition of this, additional funding of:

- **£7m** capital funding has been made available for our primary care capital programme, bringing forward major projects which will provide both added stimulus to the construction sector and much improved integrated health and social care facilities for local communities.
- **£2.95m** revenue funding for Mental Health and Substance Misuse, which will allow Health Boards to support low-level, preventative mental health provision through the third sector.
- **£4m** revenue funding and **£10m** capital funding to support additional capacity for the NHS this year and helping to position services ready for recovery.
- **£0.28m** revenue funding for Primary & Community Care - Primary Care planning resource to support capital developments.
- **£1.6m** capital funding for Sêr Cymru 3 to support the much needed research that will inform Welsh Government response to Covid-19 and its wider effects on society. This investment has enabled support for a further 23 research projects, bringing the total to 40 projects overall with a total allocation of £2.9m

2.58 We will fund interventions that support a specific focus on equalities.

Throughout everything we do, we recognise that the impact of this pandemic does not impact on all people equally, and we are focussing our efforts on supporting those who have been most adversely affected

by the Covid-19 crisis. This includes children and young people, women, those in low paid and insecure employment, Black, Asian and Minority Ethnic people, and disabled people. We have therefore invested an additional **£3.41m** which includes:

- **£0.35m** revenue funding to improve input of equality data into decisions, and begin work on an Equality/Race Disparity/Data Unit, alongside engaging on the Race Equality Action Plan with communities and grass roots organisations.
- **£1m** capital funding to support our Violence Against Women, Domestic Abuse and Sexual Violence programme to fund equipment for victims to access Courts remotely
- Boosted the Disabled People's Organisations' Covid-19 Response Fund with an additional £0.23m revenue funding to support disabled people during the pandemic.
- **£1.6m** revenue funding for the Interventions Fund to safely divert cases from Child Protection Registration.
- **£0.04m** revenue funding on Socio-Economic Duty which will be a key mechanism in supporting the most vulnerable in our society in the response to Covid-19, and the recovery phase. Commencement of the Duty is March 2021. This funding has supported the provision of additional supporting engagement materials for public bodies.
- **£0.19m** revenue funding to fund Blueprints for Female Offending & Youth Justice which aims to improve outcomes for women and young people in or at risk of entering the criminal justice system.

3. Changes to the Wales Budget since 2nd Supplementary Budget 2020-21

- 3.1** Tables 3.1 to 3.4 set out the net impact of all the changes to the Welsh budget. Table 3.5 summarises the total allocations by MEG.

Table 3.1 – Sources of Finance for Welsh Government

COMPONENTS OF WELSH GOVERNMENT FINANCING	2020-21 Supplementary Budget October 2020	Changes	2020-21 Supplementary Budget New Plans February 2021
	£000s	£000s	£000s
RESOURCE FINANCING			
Departmental Expenditure Limit (DEL):			
Fiscal	17,345,729	950,759	18,296,488
Agreed flexibility with HM Treasury	0	-497,557	-497,557
Non-Fiscal	690,064	846,949	1,537,013
Drawdown from the Wales Reserve	125,000	0	125,000
Annually Managed Expenditure (AME):			
Fiscal	22,159	1,665	23,824
Non-Fiscal	135,499	184,879	320,378
Wales Devolved Financing:			
Non Domestic Rates	804,000	-112,000	692,000
Welsh Rate of Income Tax	2,169,668	0	2,169,668
Land Transaction Tax	131,854	44,603	176,457
Landfill Disposals Tax	34,153	-5,966	28,187
Principal repayment of borrowing	-2,362	0	-2,362
TOTAL RESOURCE FINANCING	21,455,764	1,413,332	22,869,096
CAPITAL FINANCING			
Departmental Expenditure Limit (DEL):			
General	2,133,145	773,345	2,906,490
Agreed flexibility with HM Treasury	0	-137,131	-137,131
Drawdown from the Wales Reserve	0	40,210	40,210
Financial Transactions	304,574	52,862	357,436
Agreed flexibility with HM Treasury	0	-25,530	-25,530
Drawdown from the Wales Reserve	0	9,790	9,790

Annually Managed Expenditure (AME):			
Capital	863,631	34,113	897,744
Wales Devolved Financing:			
Borrowing	125,000	-125,000	0
TOTAL CAPITAL FINANCING	3,426,350	622,659	4,049,009
TOTAL WELSH FINANCING	24,882,114	2,035,991	26,918,105

Table 3.2 – Allocation of the Wales Budget

MAIN EXPENDITURE GROUPS (MEGs)	£000s			
	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021	
Health and Social Services	10,341,215	244,534	10,467,826	
Housing and Local Government	6,409,908	396,319	6,731,169	
Economy and Transport	2,949,431	1,250,889	4,203,474	
Education	2,556,382	1,018,781	3,575,163	
Mental Health, Wellbeing and the Welsh Language	268,196	38,963	413,580	
Environment, Energy and Rural Affairs	561,507	13,273	649,838	
Central Services and Administration	414,352	34,041	456,741	
Total Allocation to Welsh Government MEGs	23,500,991	2,996,800	26,497,791	
Repurposed EU funding for COVID-19 measures	-245,000	245,000	0	
Planned Allocation to Welsh Government MEGs	23,255,991	3,241,800	26,497,791	
Unallocated Resource	Fiscal Resource	1,151,418	-1,050,359	101,059
	Non-Fiscal Resource	151,123	91,775	242,898
Unallocated Capital	General	199,647	-198,669	978
	Financial Transactions	50,258	-49,742	516
Senedd Commission	59,575	1,050	60,625	
Public Services Ombudsman for Wales	5,110	160	5,270	
Wales Audit Office	8,228	-5	8,223	
Direct Charges to the Welsh Consolidated Fund	764	-19	745	
TOTAL WELSH BUDGET	24,882,114	2,035,991	26,918,105	

Table 3.3 – Changes to the Welsh Government MEG Resource Allocations

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	FISCAL			NON-FISCAL		
	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021
Health and Social Services	9,526,060	79,820	9,493,029	190,000	30,137	220,137
Housing and Local Government	4,815,823	336,609	5,103,774	240	-27	213
Economy and Transport	2,004,931	663,874	2,671,959	192,400	152,000	344,400
Education	1,490,143	167,700	1,657,843	107,154	575,137	682,291
Mental Health, Wellbeing and the Welsh Language	207,788	-1,213	308,424	8,882	92	8,974
Environment, Energy and Rural Affairs	417,240	10,607	476,505	21,675	-3,000	18,675
Central Services and Administration	366,907	39,015	413,770	16,000	835	16,835
Total Allocation to Welsh Government MEGs	18,828,892	1,296,412	20,125,304	536,351	755,174	1,291,525

Table 3.4 – Changes to the Welsh Government MEG Capital Allocations

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	GENERAL CAPITAL			FINANCIAL TRANSACTIONS		
	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021
Health and Social Services	407,488	41,225	443,641	0	0	0
Housing and Local Government	615,085	136,795	725,480	150,505	33,837	184,342
Economy and Transport	637,315	345,390	982,705	85,260	70,650	155,910
Education	219,450	180,856	400,306	-195	350	155
Mental Health, Wellbeing and the Welsh Language	32,767	41,570	78,909	15,746	-15,973	-227
Environment, Energy and Rural Affairs	118,192	10,066	154,658	2,000	-2,000	0
Central Services and Administration	27,446	-5,809	22,137	1,000	0	1,000
Total Allocation to Welsh Government MEGs	2,057,743	750,093	2,807,836	254,316	86,864	341,180

3.2 An overview of the changes to the sources of finance are provided below and details of allocations from reserves can be found in section 4.

Adjustments to Sources of Finance

Fiscal Resource

- 3.3** The Fiscal Resource baseline has increased by a net amount of £950,759k comprising:
- Barnett consequentials totalling £2,310,610k of which £497,557k is agreed additional flexibility to carry into 2021/22: ;
 - Transfers from HM Treasury totalling £136,343k and comprising:
 - £97,000k in respect of expected credit losses;
 - ££(39,204)k revision in the block grant adjustment;
 - £40,000k in respect of the cost of accrued leave due to the coronavirus pandemic;
 - £11,855k representing the balance due in respect of direct payments funding for farm subsidies;
 - £10,000k in respect of the Cardiff City Deal;
 - £5,000k in respect of local authority flood recovery costs;
 - £3,807k in respect of the EU Structural Funds;
 - £3,230k in respect of the residual amount for the Immigration Health Surcharge for 2019-20;
 - £2,597k in respect of the Coastal Communities Fund;
 - £1,000k in respect of the repair of particularly vulnerable coal tips;
 - £625k in respect of Financial Advice Services;
 - £264k in respect of the tampon tax;
 - £145k in respect of a cash management rebate; and
 - £24k in respect of LIBOR (Wales Air Ambulance).
 - Net transfers with other UK Government Departments totalling £4,815k including the following transfers of £1m or more:
 - £3,300k from the Ministry of Justice in respect of Offender Learning;

- £1,832k from the Department for Transport (DfT) in respect of the Core Valley Lines;
 - £1,233k from the Securities and Intelligence Agencies in respect of Cyber Resilience;
 - £1,000k from the Department for Environment, Food and Rural Affairs (DEFRA) in respect of support for the fisheries and seafood sector;
 - £(1,176)k to the Home Office in respect of the clawback of an overpayment for the Immigration Health Surcharge at Main Estimates; and
 - £(1,600)k to the Department for Digital, Culture, Media and Sport, including £(1,000)k in respect of the Green Recovery eNGO Building Capacity.
- A budget switch of £473,000k to General Capital and £28,000k to Financial Transactions

Non-Fiscal Resource

3.4 The non-fiscal resource baseline has increased by £846,949k as a result of Barnett consequentials received at Supplementary Estimates. They comprise:

- £795,827k in respect of Student Loans and;
- £52,479k in respect of depreciation.

Wales Devolved Financing

3.5 The level of expenditure financed by non-domestic rates has reduced by £112m to offset the DEL contributions provided by Welsh Government. The forecasts for Land Transaction Tax and Landfill Disposals Tax have increased by £38,637k reflecting the OBR's December Welsh Taxes

Outlook publication. In accordance with the fiscal framework, the Welsh Rate of Income Tax does not change in-year.

General Capital

- 3.6** The general capital baseline has increased by £773,345k comprising:
- Barnett consequentials totalling £137,538k as a result of the UK Supplementary Estimates and is agreed additional flexibility to carry into 2021/22.
 - Transfers from HM Treasury totalling £1,000k (net) and comprising:
 - £17,000k in respect of local authority flood recovery costs; and
 - £8,000k in respect of the repair of particularly vulnerable coal tips;
 - (24,000k) in respect of a reprofile for public sector energy loans and the North Wales City Deal.
 - Net transfers with other UK Government Departments totalling £167,807k including the following transfers of £1m or more:
 - £154,290k from DfT in respect of the Core Valley Lines;
 - £12,476k from DCMS in respect of digital infrastructure;
 - £4,841k from BEIS, including £4,186k in respect of energy efficiency; and
 - £3,800k to the DCMS comprising £2,300k in respect of 'Local Places for Nature' and £1,300k in respect of the Community Woodland Grant.
 - A budget switch of £473,000k from Fiscal Resource

In addition, £40,210k has been drawn from the Wales Reserve and added to the General Capital baseline.

Financial Transactions Capital

3.7 The baseline ring-fenced for financial transaction capital has increased by £52,862 comprising;

- £24,862k consequentials received as a result of the UK Government's Supplementary Estimates and is agreed additional flexibility to carry into 2021/22;
- A budget switch of £28,000k from Fiscal Resource

In addition, £9,790k has been drawn from the Wales Reserve and added to the Financial Transactions baseline.

AME Financing

3.8 Changes to the AME financing and expenditure since the 2nd Supplementary Budget are detailed in Chapter 5.

Table 3.5 – Summary of the Welsh Government MEG Total Allocations

2020-21 TOTAL MEG ALLOCATIONS as per SUPPLEMENTARY BUDGET										
£000s										
MAIN EXPENDITURE GROUPS (MEGs)	Resource			Capital			AME			TOTAL MEG ALLOCATION
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	Resource	Capital	AME Total	
Health and Social Services	9,493,029	220,137	9,713,166	443,641	0	443,641	311,019	0	311,019	10,467,826
Housing and Local Government	5,103,774	213	5,103,987	725,480	184,342	909,822	717,360	0	717,360	6,731,169
Economy and Transport	2,671,959	344,400	3,016,359	982,705	155,910	1,138,615	48,500	0	48,500	4,203,474
Education	1,657,843	682,291	2,340,134	400,306	155	400,461	-63,176	897,744	834,568	3,575,163
Mental Health, Wellbeing and the Welsh Language	308,424	8,974	317,398	78,909	-227	78,682	17,500	0	17,500	413,580
Environment, Energy and Rural Affairs	476,505	18,675	495,180	154,658	0	154,658	0	0	0	649,838
Central Services and Administration	413,770	16,835	430,605	22,137	1,000	23,137	2,999	0	2,999	456,741
TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs	20,125,304	1,291,525	21,416,829	2,807,836	341,180	3,149,016	1,034,202	897,744	1,931,946	26,497,791

4. Changes to Reserves

4.1 This budget regularises a number of allocations to and from reserves.

Allocations from Fiscal Resource Reserves

4.2 Allocations totalling £1,317,620k have been made from fiscal resource reserves in response to COVID-19 and an additional £96,305k allocated as part of the COVID-19 reconstruction package. The allocations are as follows:

COVID-19 Allocations:

• Health and Social Services	£	74,700k
• Housing and Local Government	£	286,239k
• Economy and Transport	£	799,770k
• Education	£	83,881k
• Mental Health, Wellbeing and the Welsh Language	£	37,330k
• Central Services and Administration	£	4,700k

COVID-19 Reconstruction Package:

• Health and Social Services	£	17,069k
• Housing and Local Government	£	14,138k
• Economy and Transport	£	7,850k
• Education	£	37,612k
• Mental Health, Wellbeing and the Welsh Language	£	2,950k
• Environment, Energy and Rural Affairs	£	9,575k
• Central Services and Administration	£	7,111k

It should be noted that some COVID related funding awarded in previous supplementary budgets has been returned to reserves for repurposing. The details are in paragraph 4.5 below.

4.3 In addition allocations totalling £224,036k have been made to portfolios from fiscal resource reserves. This includes the following allocations of £1m or more:

- Health and Social Services:
 - £3,230k in respect of the Immigration Health Surcharge residual amounts due for 2019-20.

- Housing and Local Government:
 - £5,081k in support of non-domestic rates, rates relief;
 - £4,000k in respect of flood response;
 - £3,297k relating to the Coastal Communities Fund;
 - £3,239k in respect of the EU Transition Fund;
 - £1,608k in respect of expected credit losses;
 - £1,074k in respect of loss of income; and
 - £1,300k as additional support for the Children and Communities Grant.

- Economy and Transport:
 - £82,000k in respect of expected credit losses;
 - £53,699k in respect of support for needs based projects following the suspension of EU funding;
 - £7,000k in respect of rail fuel hedge liability financial statement;
 - £5,000k in respect of the SE Wales Transport Commission ;
 - £2,081k in respect of the A55 approaches to the Port of Holyhead following the end of the EU transition period;
 - £1,776k funding received from the DCMS in support of the Public Sector Broadband Aggregation; and
 - £1,125k in respect of the Project Initiation Document relating to the SE Wales Transport Commission fast track recommendations.

- Education:
 - £4,000k to support the funding of backlog maintenance and small scale capital projects in further education;

- £3,981k in respect of an increase in schools and sixth form funding; and
- £3,300k funding received from the MoJ in support of offender learning at HMP Berwyn.
- Mental Health, Wellbeing and the Welsh Language:
 - £1,950k to support funding priorities, comprising £1,450k to the National Museums of Wales and £500k to the National Library of Wales.
- Environment, Energy and Rural Affairs:
 - £11,855k received from HM Treasury in respect of the Basic Payment Scheme (BPS); and
 - £1,500k in respect of expected credit losses.
- Central Administration and Services:
 - £5,768k in respect of the 2020-21 pay award;
 - £3,807k funding received from HM Treasury in respect of EU Structural funds;
 - £3,000k in respect of a capital to resource switch;
 - £2,283k funding received from the Security and Intelligence Agencies in respect of cyber resilience;
 - £1,768k funding in support of Police Community Support Officers; and
 - £1,285k in respect of staff recruitment.

4.4 Additional allocations totalling £810k have been made from the fiscal resource reserves to the direct funded bodies due to additional costs incurred in respect of accrued leave as a direct result of the COVID pandemic. The transfers comprise:

- £650k to the Senedd Commission; and
- £160k to the Public Services Ombudsman for Wales.

Transfers to Fiscal Resource Reserves

4.5 Transfers totalling £171,549k have been made into fiscal resource reserves from the portfolios. This includes the following transfers of £1m or more:

- Health and Social Services:
 - £1,176k in respect of the Immigration Health Surcharge clawback relating to the recalculation of forecasts for 2020-21.
- Housing and Local Government:
 - £2,280k in respect of COVID-19 for repurposing.
- Economy and Transport:
 - £112,000k in respect of COVID-19 and an NDR underspend.
- Mental Health, Wellbeing and the Welsh Language:
 - £42,400k in respect of a resource to capital switch relating to the reclassification of research and development.
- Environment, Energy and Rural Affairs:
 - £9,918k in respect of wind farm income relating to Natural Resource Wales;
 - £2,415k in respect of the return of COVID-19 resilience funding allocated for shielded food deliveries; and
 - £1,000k to cover the transfer to DCMS in respect of the Welsh Government's contribution to the 'Local Places for Nature' grant scheme.

4.6 In addition, £5k was transferred back to fiscal resource reserves from Audit Wales in respect of the reduction in costs associated with the Chair of the Wales Audit Office.

Allocations from Non Fiscal Resource Reserves

4.7 Allocations totalling £758,201k have been made to the MEGs from non fiscal resource reserves. This includes the following allocations of £1m or more:

- Health and Social Services:
 - £34,000k in respect of non fiscal requirements for the NHS.
- Economy and Transport:
 - £114,000k in respect of the depreciation and impairment of the roads network; and
 - £38,000k in respect of the depreciation of the Core Valley Line railways; and
- Education:
 - £571,274k in respect of student loans support.

Transfers to Non Fiscal Resource Reserves

4.8 Transfers totalling £3,027k have been made to the non fiscal resource reserves. This includes a £3,000k transfer from the Environment, Energy and Rural Affairs MEG in respect of the reduction in the non fiscal requirements for IT.

Allocations from General Capital Reserves

4.9 Allocations totalling £50,013k have been made from general capital reserves in response to COVID-19 and an additional £138,310k allocated as part of the COVID-19 reconstruction package. The allocations are as follows:

COVID-19 Allocations:

- | | |
|-------------------------|-----------|
| • Economy and Transport | £ 28,500k |
| • Education | £ 21,513k |

COVID-19 Reconstruction Package:

- | | |
|--------------------------------|-----------|
| • Health and Social Services | £ 22,000k |
| • Housing and Local Government | £ 35,000k |
| • Economy and Transport | £ 20,500k |

• Education	£	39,360k
• Environment, Energy and Rural Affairs	£	20,300k
• Central Services and Administration	£	1,150k

4.10 In addition allocations totalling £584,053k have been made to portfolios from general capital reserves. This includes the following allocations of £1m or more:

- Housing and Local Government:
 - £36,000k in respect of the Swansea City Deal;
 - £30,000k in respect of regeneration;
 - £17,559k in respect of flood response;
 - £16,000k in respect of the North Wales Growth Deal;
 - £10,500k in respect of building safety; and
 - £1,000k from the EU transition fund.
- Economy and Transfer:
 - £270,000k in respect of the Development Bank of Wales legacy funding;
 - £10,768k in respect of funding received from the DCMS for South Wales Strategic Road Network (SWSRN);
 - £10,000k in respect of the Community Bank of Wales;
 - £5,115k in respect of the implementations of the SE Wales Transport Commission recommendations; and
 - £3,010k in respect of the A55 approaches to the Port of Holyhead following the end of the EU transition period.
- Education:
 - £50,000k in respect of capital maintenance;
 - £44,000k in respect of HEFCW research;
 - £15,040k to facilitate land acquisition
 - £6,000k in support of the investment in IT and the cost to providers of making digital equipment available to learners.

- £4,326k to support needs based projects following the reduction of European income; and
- £1,000k transfer from BEIS in respect of 'GovTech' winners in Wales.
- Mental Health, Wellbeing and the Welsh Language:
 - £42,400k in respect of a resource to capital switch relating to the reclassification of research and development.
- Environment, Energy and Rural Affairs:
 - £8,000k in respect of coal tip safety; and
 - £3,000k in respect of the Farm Business Improvement Scheme.

Allocations to General Capital Reserves

4.11 Transfers totalling £22,283k have been made into the general capital reserves from the portfolios. This includes the following transfers of £1m or more:

- Environment, Energy and Rural Affairs:
 - £15,000k loan income; and
 - £3,800k to cover the transfer to DCMS in respect of the Welsh Government's contribution to the 'Local Places for Nature' capital grant scheme (£2,300k) and the Woodland Fund capital grant scheme (£1,500k).
- Central Services and Administration:
 - £3,000k in respect of a capital to resource switch.

Allocations from Financial Transaction Capital Reserves

4.12 Allocations totalling £8,520k have been made from financial transaction capital reserves in response to COVID-19 and an additional £84,000k allocated as part of the COVID-19 reconstruction package. The allocations are as:

COVID-19 Allocations:

- | | | |
|--------------------------------|---|--------|
| • Housing and Local Government | £ | 520k |
| • Economy and Transport | £ | 8,000k |

COVID-19 Reconstruction Package:

- | | | |
|--------------------------------|---|---------|
| • Housing and Local Government | £ | 30,000k |
| • Economy and Transport | £ | 54,000k |

4.13 In addition allocations totalling £17,160k have been made to portfolios from financial transaction capital reserves. This includes the following allocations of £1m or more:

- Housing and Local Government:
 - £7,700k in respect of the tenancy saver loan scheme.
- Economy and Transport:
 - £8,650k in respect of loans to the Development Bank of Wales.

Allocations to Financial Transaction Capital Reserves

4.14 Transfers totalling £20,766k have been made to the financial transaction capital reserves. This includes the following transfers of £1m or more:

- Housing and Local Government:
 - £2,000k relating to the early repayment in respect of Barry Island link road.
 - .
- Mental Health, Wellbeing and the Welsh Language:
 - £16,000k in respect of the slippage in developments.
- Environment, Energy and Rural Affairs:
 - £2,000k in respect of the Green Growth fund.

5. Annually Managed Expenditure (AME) Budgets

5.1 AME budgets detailed in the 3rd Supplementary Budget reflect the last forecasts provided to HM Treasury.

5.2 The following adjustments have been made since the 2nd Supplementary Budget was approved:

- Health and Social Services:
 - An increase of £93,352k for impairments and provisions relating to the NHS in Wales.

- Housing and Local Government:
 - A reduction of £112,000k to the Non Domestic Rates (NDR) Rates Relief budget to counter balance the additional DEL funding provided. The DEL allocation was made in response to the expected reduction of NDR revenues to local government as a result of COVID-19;
 - An increase of £1,665k in respect of the Fire Service pensions; and
 - A reduction of £560k in respect of Help to Buy Wales.

- Economy and Transport:
 - An increase of £13,975k in respect of the impairments for property related infrastructure;
 - An increase of £3,000k in respect of the pension provision for Careers Wales; and
 - An increase of £2,000k in respect of provisions for Transport for Wales.

- Education:
 - A net increase of £94,738 to reflect the latest Student Loans forecasts, comprising:
 - An increase of £60,625k in resource and

- An increase of £34,113k in capital.
- Mental Health, Wellbeing and the Welsh Language:
 - An increase in pension provisions for sponsored bodies of £12,987k comprising:
 - £6,609k in respect of the National Museums of Wales;
 - £4,378k in respect of the National Library of Wales; and
 - £2,000k in respect of Sport Wales; and
 - A new provision of £1,500k for bad debts.
- Environment, Energy and Rural Affairs:
 - A reduction of £2,400k in respect of the pension provision for Natural Resources Wales.

Table 5.1 below sets out the current AME budgets.

Table 5.1 – Changes to the Welsh Government MEG AME Allocations

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	RESOURCE			CAPITAL		
	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021	2020-21 Supplementary Budget October 2020 Restated December 2020	Changes	2020-21 Supplementary Budget New Plans February 2021
Health and Social Services	217,667	93,352	311,019	0	0	0
Housing and Local Government	828,255	-110,895	717,360	0	0	0
Economy and Transport	29,525	18,975	48,500	0	0	0
Education	-123,801	60,625	-63,176	863,631	34,113	897,744
Mental Health, Wellbeing and the Welsh Language	3,013	14,487	17,500	0	0	0
Environment, Energy and Rural Affairs	2,400	-2,400	0	0	0	0
Central Services and Administration	2,999	0	2,999	0	0	0
Total Allocation to Welsh Government	960,058	74,144	1,034,202	863,631	34,113	897,744

Annex 1 - Reconstruction package MEG and priority area breakdown

Provide support to help reduce unemployment and give everyone the best chance to find and keep decent work with long term prospects, adding value to the UK Government's Kickstart programme.				
Description	Revenue £m	Capital £m	FTC £m	Total £m
Retaining Skills to Support the Third Sector	2	0	0	2
Employment Discrimination Advice Services	0.3	0	0	0.3
Development of Social Partnership and Enforcement of workers' rights	0.2	0	0	0.2
	2.5	0	0	2.5

Ensure that our young people do not lose educationally or economically through the effects of Covid-19 or any economic downturn that is not of their making.				
Description	Revenue £m	Capital £m	FTC £m	Total £m
Pupil Development Grant Access	5	0	0	5
Childcare Development Fund	2	0	0	2
Supporting learners to qualifications' - additional support for schools and colleges	9.5	0	0	9.5
Care Inspectorate Wales – Looked After Children: Prevention and Intervention	0.01	0	0	0.01
Childcare, Play and Early Years - Revenue support for the childcare sector	3.8	0	0	3.8
Free School Meals for schools and colleges during the holidays (October half term, Christmas, February half term 2021 and Easter 2021)	11.68	0	0	11.68
Care Aims Framework, Training for English as an Additional Language (EAL) Translators and Education Inspection Framework (EIF) maturity matrix	0.1	0	0	0.1
Social Services - Safeguarding - Reference Group for Black, Asian and Minority Ethnic Children and young people advocacy engagement	0.02	0	0	0.02
Top-up funding for St David's Day fund	1	0	0	1

Specialist training for foster carers on complex needs, children in custody and unaccompanied asylum seeking children	0.05	0	0	0.05
Additional funding to address Digital Exclusion in Further Education	0	4.9	0	4.9
Family Justice – relieving court backlogs and supporting exits from care	3	0	0	3
Flying Start Capital	0	0.86	0	0.86
Transformation Team to reduce numbers of Looked After Children	0.07	0	0	0.07
Childcare, Play and Early Years Provision – additional costs facing childcare and play services. Includes support for Local Authorities for outdoor play facilities.	0	5	0	5
Family Group Conferencing – Pump Priming Fund	2.2	0	0	2.2
Promoting family stability and relationship quality	0.8	0	0	0.8
Extension of the Early Years Integration Transformation Programme	0.12	0	0	0.12
Face coverings for every secondary school age learner and all full time college learners in Wales for 2020/21.	2.35	0	0	2.35
National Fostering Framework	0.32	0	0	0.32
Further Education - Impact of Covid-19 on FE enrolments	10	0	0	10
Higher Education - student support and mental health services	10	0	0	10
Education Infrastructure	0	30	0	30
	62.04	40.76	0	102.80

Step up construction of council and social housing to increase access to high quality housing across Wales, in particular investing in low carbon housing.				
Description	Revenue £m	Capital £m	FTC £m	Total £m
Optimised Retrofit Programme Upscaling	0	10	0	10
Innovative Housing Programme	0	10	0	10
Social Housing Grant Main Programme	0	10	0	10
Property Development Fund	0	0	15	15
Stalled Sites	0	0	15	15
	0	30	30	60

Step up our investment in our local town centres to help build resilient communities.

Description	Revenue £m	Capital £m	FTC £m	Total £m
Accelerating action on biodiversity	2	0	0	2
Community & Volunteering	4	0.15	0	4.15
Implementation of the Local Government and Elections (Wales) Bill	0.7	0	0	0.7
Circular Economy – repair shops	5.5	7.7	0	13.2
Town Centre Strategic Sites Acquisition Fund	0	5	0	5
	12.2	12.85	0	25.05

Respond energetically to the climate emergency by pursuing a strong decarbonisation agenda, managing our land for the benefit of rural communities and future generations and protecting and enhancing our natural resources.

Description	Revenue £m	Capital £m	FTC £m	Total £m
Local Renewable Energy	0.4	0	0	0.4
Expansion of Circular Economy Fund to local authorities and publicly funded bodies	0	12.5	0	12.5
Welsh Government Energy Service Green Stimulus	0.4	0.1	0	0.5
Smart Living Hydrogen Hubs	0.2	0	0	0.2
Swansea UHB Solar Farm	0	2	0	2
Resilient National Parks – Covid-19 recovery and public engagement	1.08	0	0	0.6
	1.5	14.7	0	16.2

We will take the opportunities offered by changing working and travel patterns to build on trials of demand responsive public transport, working with trades unions, local authorities and passengers and put a clear emphasis in our new Transport Strategy.

Description	Revenue £m	Capital £m	FTC £m	Total £m
Bus Reform - Various interventions around bus reform including evaluating and rolling out current trials	6.5	0	0	6.5
Decarbonisation of Transport - To procure additional external resource to advise and support the development of strategies, plans and programmes to decarbonise Transport	0.2	0	0	0.2
20 mph Zones - Move forward with the roll-out of 20mph pilots across Wales, commence consultation on legislative change, and develop campaign strategy	0.4	0.5	0	0.9
	7.1	0.5	0	7.6

Support the growth and independence of Welsh-headquartered businesses in order to build the resilience of the Welsh economy in the face of Covid-19 and the end of the EU Transition Period.

Description	Revenue £m	Capital £m	FTC £m	Total £m
Superfast Broadband	0.75	0	0	0.75
Capitalisation of the Flexible Investment Fund	0	0	30	30
Capitalisation of the Wales Tourism Investment Fund	0	0	24	24
Strategic Road Network	0	20	0	20
	0.75	20	54	74.75

Support the NHS to make up lost ground in terms of treatment of non-Covid-19 related conditions.

Description	Revenue £m	Capital £m	FTC £m	Total £m
Capital Primary Care - range of specific integrated health and social care facilities	0	7	0	7
Primary & Community Care - Primary Care planning resource to support capital developments	0.28	0	0	0.28
Sêr Cymru 3	0	1.6	0	1.6
Mental Health Support / Substance Misuse	2.95	0	0	2.95
NHS Recovery Plan Support Funding	4	10	0	14
	7.23	18.6	0	25.83

Fund interventions that support a specific focus on equalities.

Description	Revenue £m	Capital £m	FTC £m	Total £m
Violence Against Women and Domestic Abuse and Sexual Violence: Covid-19 Capital Response	0	1	0	1
Disabled People's Organisations Covid-19 Response Fund and Disability Impact Report	0.23	0	0	0.23
Socio-Economic Duty	0.04	0	0	0.04
Blueprints for Female Offending & Youth Justice	0.19	0	0	0.19
Race Equality – Action in Response to Covid-19 impact	0.35	0	0	0.35
Interventions Fund to safely divert cases from Child Protection Registration	1.6	0	0	1.6
	2.41	1	0	3.41

Annex 2 – Reconciliation between the Portfolio Budgets in the Action Tables and those the Budget Motion

The Explanatory Note supports the Supplementary Budget Motion published alongside this document, which sets out the changes to both the resources that the Welsh Government is proposing to use in 2020-21 and the cash it is seeking authority to draw from the Welsh Consolidated Fund. The tables within this note use the HM Treasury control totals and align with the BEL Tables. However, the figures in the Supplementary Budget Motion align with the Statement of Resource Outturn which is used in the Welsh Government accounts and is prepared on a slightly different basis.

The Welsh Government's budget includes items which do not score as part of the 'Resources Requested' by Welsh Ministers. This Annex provides a reconciliation between the two by each portfolio.

2020-21 SUPPLEMENTARY BUDGET								
£000s								
	Health and Social Services	Housing and Local Government	Economy and Transport	Education	Mental Health, Wellbeing and the Welsh Language	Environment, Energy and Rural Affairs	Central Services and Administration	TOTAL
Resource	9,713,166	5,103,987	3,016,359	2,340,134	317,398	495,180	430,605	21,416,829
Capital	443,641	909,822	1,138,615	400,461	78,682	154,658	23,137	3,149,016
Resource AME	311,019	717,360	48,500	-63,176	17,500	0	2,999	1,034,202
Capital AME	0	0	0	897,744	0	0	0	897,744
TOTAL MANAGED EXPENDITURE	10,467,826	6,731,169	4,203,474	3,575,163	413,580	649,838	456,741	26,497,791
Reconciliation to Resources								
Resource Consumption - Welsh Government Sponsored Bodies	-230	-180		-305		-10,000		-10,715
Supported Borrowing		-88,800	771					-88,029
National Insurance Fund Receipts Collection Costs	-906							-906
National Non-Domestic Rates Payable (and Collection Costs)		-697,172						-697,172
Interest Repayments on Borrowing							-2,474	-2,474
PFI			-8,982					-8,982
Direct Charges on the Welsh Consolidated Fund							-765	-765
RESOURCES REQUESTED	10,466,690	5,945,017	4,195,263	3,574,858	413,580	639,838	453,502	25,688,748

Annex 3 – Glossary

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

Direct Charges on the Welsh Consolidated Fund	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore does not score against the budgets of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
Financial Transactions	Financial transactions can only be used for loans and equity purposes. A proportion of the funding also has to be repaid to the Exchequer.
Fiscal Resource DEL (sometimes referred to as revenue)	The Fiscal Resource DEL budget scores most of the department's current expenditure. Expenditure is recorded on an accruals basis. It includes expenditure on pay, current procurement, current grants and subsidies.
Main Expenditure Group (MEG)	The Welsh Government DEL is divided into a number of Main Expenditure Groups. There are currently 7 MEGs: Health and Social Services; Housing and Local Government; Economy and Transport; Education; Mental Health, Wellbeing and the Welsh Language; Environment, Energy and Rural Affairs and Central Services and Administration.
Non-Fiscal Resource DEL (sometimes referred to as 'non cash')	The Non-Fiscal Resource DEL budget scores the department's current expenditure in respect of impairment of student loans and depreciation. Non-Fiscal Resource DEL is ring-fenced and cannot be used to fund fiscal resource DEL spending.
Receipts	Some areas of Welsh Government activity generate income, for example, through the sale or rental of assets. These are represented in the budget as negative figures.
Resource budgeting	The Welsh Government's budget is set on a resource basis derived from accruals information. Accruals information measures resources as they are consumed rather than when the cash is paid. So, for example, resource budgeting includes a charge for depreciation, a measure of the consumption or wearing out of capital assets.

Spending Review	HM Treasury periodically reviews expenditure for each UK Government Department and sets budgets for the forthcoming years. Budgets for the devolved administrations are derived from these budgets via the Barnett formula, which is the mechanism used to calculate public expenditure allocated to Wales to reflect changes in spending levels allocated to public services in England.
Total Managed Expenditure (TME)	This is an HM Treasury control total which is made up of 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 Senedd Commission, the Auditor General, and the Public Services Ombudsman for Wales is paid.
WGSB	Welsh Government Sponsored Body. Examples include the Higher Education Funding Council for Wales and the Arts Council of Wales.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/RE/0465/21

Llyr Gruffydd
Chair of Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

1 February 2021

Dear Llyr,

I wrote to you previously confirming my intention to publish a third supplementary budget for 2020-21 on 9th February. I expected that I would have confirmation from the UK Government of our final settlement for 2020-21 in good time to prepare the third supplementary budget by this date. However, I have not received this information from the UK Government and, as of the time of writing, do not have a firm commitment of when this will be received.

It is disappointing that the UK Government has not been able to confirm changes to the Welsh budget or, as yet, offer confirmation on any of the additional flexibilities sought. Given these circumstances, I regret I will be unable to prepare and publish the third supplementary budget on 9th February. I intend to delay publication to no later than 16th February and move the supplementary budget motion on 9th March. Whilst this provides for the required 3 weeks under Standing Orders, I will endeavour to publish the supplementary budget in advance of 16th February to provide the Committee with as much time as possible to undertake its scrutiny. I understand the issue has impacted the revision of budgets for the other devolved governments who are similarly reviewing their timetables.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-RE-0360-20

Llyr Gruffydd MS
Chair of the Finance Committee

10 February 2021

Dear Llyr,

I wanted to make the Committee aware that HM Treasury has recently approved an advance of up to £3.8bn from the UK Contingencies Fund to the Wales Office. This advance will allow the Secretary of State for Wales to meet the forecast cash requirement of the Welsh Government prior to the UK Parliament's approval of the 2020-21 Supplementary Estimates expected in March.

In similar circumstances to the advance required in July 2020, as a result of the unprecedented additional expenditure that has occurred in response to the coronavirus pandemic, the cash limit authorised by the Main Estimates 2020-21 in July is insufficient to cover the cash required prior to the approval of the Supplementary Estimate in March. As the timing of that approval is outside our control we have requested an advance to cover for the maximum estimated cash requirement.

The Contingencies Fund is a standard UK procedure to access cash to meet the short term need in advance of approval of the Supplementary Estimate and will be repaid once the Supplementary Estimate is approved. The Wales Office will account for the advance and its repayment.

I hope you find this information helpful. I am copying this letter to the Auditor General for Wales for information.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

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

Document is Restricted



Fee Scheme 2021-22

February 2021

This is a fee scheme prepared by the Wales Audit Office under section 24 of the Public Audit (Wales) Act 2013.

This fee scheme is laid before the Senedd under section 24(4)(c) of the Public Audit (Wales) Act 2013.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

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Adrian Crompton

Auditor General for
Wales



Lindsay Foyster

Chair, Wales Audit
Office

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Introduction

Fee rates and fee scales

- 1 This Fee Scheme has been prepared under section 24 of the Public Audit (Wales) Act 2013 (the Act) (**Appendix 1**). The Fee Scheme, following approval by the Senedd, provides the basis on which we charge fees.
- 2 As set out in our [consultation](#) on proposed fees in November 2020, the Board and Auditor General for Wales remain determined to contain audit fees whilst ensuring that our audit quality continues to meet rigorous standards.
- 3 At Audit Wales we are acutely aware of the impact that the global COVID-19 pandemic is having on our public services. We are responding to that by reducing our call on the Welsh Consolidated Fund (WCF) in 2021-22 and by containing our fee rates and fee scales at the levels set for 2020-21.
- 4 Most public services have seen real-terms reductions in their audit fees in recent years, unless local circumstances have justified otherwise. We remain committed to reducing fees where we can do so through audit efficiencies and by containing our operating costs. Our Engagement Directors will discuss audit-specific fees with each body as we approach the next audit year.
- 5 We also plan to continue to provide access to the National Fraud Initiative on a free-of-charge basis with costs being met from the WCF.
- 6 This Fee Scheme reflects our approved [Estimate](#) for 2021-22 and sets out:
 - the enactments under which we charge audit fees.
 - the arrangements for setting those fees, which comprise either:
 - fee scales that set out fee ranges for particular areas of audit work in local government; or
 - fee rates for work not covered by fee scales.

- 7 Broadly, 65% of our expenditure is funded through fees charged to audited bodies. The remaining 35% is provided from the Welsh Consolidated Fund through the budget motion passed by the Senedd.
- 8 Legislation requires that the fees we charge **may not exceed** the full cost of exercising the function to which the fee relates. We set our audit fees based on our estimated cost base, the estimated skills mix for audit work and the estimated number of days required to complete the work. We do not and cannot make profits on our work. Our fee rates are set at a level to recover the estimated full cost but no more.
- 9 There is a tension between providing audited bodies with an up-front fee for the work to be undertaken on specific audits and having a sufficiently flexible regime that recognises the inevitability of variances. We set our audit fees based on our estimated expenditure, the estimated skills mix and the estimated number of days required to complete the work. Where the required work is significantly greater than that originally estimated, as a result of complexities experienced during the audit, we may charge a higher fee, as permitted by legislation.
- 10 We went beyond the statutory fee consultation requirements and, in November 2020, consulted all audited bodies and other stakeholders on our proposed fee rates and fee scales for 2021-22.
- 11 A total of 82 different bodies were consulted. We received just four responses, suggesting that for most bodies, our fees are not a significant area of concern. Responses received told us that audited bodies:
 - valued the pragmatic and flexible approach of our audit teams during this difficult year;
 - welcome the proposal not to increase our fee rates for 2021-22 and to provide access to the National Fraud Initiative on a nil-fee basis;
 - requested that our commitment to contain operating costs was not at the expense of audit quality;
 - expressed some concern that audit fees would increase in response to the significant increases in expenditure incurred in response to the COVID pandemic;
 - would welcome a detailed breakdown of their fees to better understand the time required for the audit; and
 - noted that the consultation made no reference to benchmarking information which they felt would better enable them to assess the value for money of our audit fees.

- 12 Our proposed fee rates for 2021-22 are unchanged from the current year and are set out in **Exhibit 1**.

Exhibit 1: Proposed Fee Rates 2021-22

Grade	Rate (£ per hour) 2021-22	Rate (£ per hour) 2020-21
Engagement Director	162	162
Audit Manager	119	119
Audit Lead	96	96
Senior Auditor	77	77
Auditor	59	59
Graduate trainee	48	48
Apprentice	37	37

- 13 We are required to prescribe fee scales for:
- work relating to the audit of local government bodies;
 - work under the Local Government (Wales) Measure 2009¹; and
 - data-matching work (NFI).
- 14 Fee scales for the audit of the 2020-21 financial accounts and 2021-22 improvement information audits and improvement assessments are provided in **Appendix 3** in relation to work conducted at unitary authorities, fire and rescue authorities, national park authorities, police and crime commissioners and chief constables, town and community councils and local government pension funds. A separate fee scale is provided in relation to the NFI.
- 15 Fee scales are a means of regulating the cost of public audit, through setting limits and by reviewing fees against those limits. Fee scales also provide a framework for auditors to assess the amount of annual audit work necessary and the fee to be charged for that work at a particular audited body.

1 The Local Government (Wales) Measure 2009 will be repealed on the Local Government and Elections (Wales) Bill receiving Royal Assent and commencement of relevant provisions. It seems likely that the fee provisions of the 2009 Measure will remain in force in respect of 2021-22.

- 16 Audited bodies not covered by the statutory requirement for a fee scale have their estimated audit fees calculated in the same way as for those which are covered – that is, through applying the fee rates published in this Fee Scheme to the estimated team mix and hours of input required for the audit.
- 17 Auditors undertake grant certification work on behalf of the Auditor General. The amount of grant certification work undertaken in any year is dependent on the number of schemes subject to audit and the number of audited bodies participating in those schemes. Charges for this work are calculated using the fee rates and reflecting the size, complexity or any particular issues in respect of the grant in question.
- 18 The fee rates apply to all audit work except to the extent that the fee scales, where applicable, regulate the amount to be charged (or in the case of work done under agreements made prior to 1 April 2014, rates are in terms as agreed). If it subsequently appears that the work involved in a particular audit differs substantially from that originally envisaged, we may charge a fee which differs from that originally notified.
- 19 In the case of the provision of other administrative, professional or technical services provided, fees will be charged in accordance with the relevant agreement, subject to such amounts being capped at the full cost of providing the service.
- 20 To meet statutory responsibilities, it is sometimes necessary for auditors to carry out work which goes beyond their general duties. Additional work can include reports in the public interest, extraordinary audit, special inspections and further work in relation to electors' questions and objections, and the prevention of unlawful expenditure. Charges for this type of work will reflect the nature of the work required.
- 21 Where specialist support or legal or other professional advice is required, this will be charged to audited bodies in addition to the cost of our audit staff.

Charging of fees

- 22 Each body's Engagement Director will explain the skills mix needed for the audit and the factors influencing the overall fee. Charging arrangements are agreed with audited bodies and may encompass one-off, periodic, regular or annual charging, as appropriate in the circumstances.
- 23 Audited bodies are expected to pay our invoices within their performance target for creditor payments, which is usually ten days. We may charge for the administrative costs incurred in pursuing late payments.
- 24 If required by audited bodies, a purchase order for the agreed audit fee should be raised in advance of invoices being sent.
- 25 On completion of audit assignments, we will assess the actual costs incurred in undertaking the assignment in comparison with the fee charged. We will refund any excess of fee over cost and, conversely, we may charge additional costs where the fee falls short. We will process refunds and additional charges in a manner which seeks to minimise administrative costs, such as through offsetting against future fees or fees for other aspects of audit activity.



Appendices

- 1 Public Audit (Wales) Act 2013 – full text of section 24
- 2 List of enactments under which the Wales Audit Office may and must charge fees
- 3 Fee scales from 1 April 2021

Appendix 1 – Public Audit (Wales) Act 2013 – full text of section 24

- (1) The WAO must prepare a scheme relating to the charging of fees by the WAO.
- (2) The scheme must include the following:
 - (a) a list of the enactments under which the WAO may charge a fee;
 - (b) where those enactments make provision for the WAO to prescribe a scale or scales of fees, that scale or those scales;
 - (c) where those enactments make provision for the WAO to prescribe an amount to be charged, that amount;
 - (d) where no provision is made for a scale or scales of fees or for an amount to be prescribed, the means by which the Wales Audit Office is to calculate the fee.
- (3) The scheme may, amongst other things:
 - (a) include different provision for different cases or classes of case, and
 - (b) provide for times at which, and the manner in which, payments are to be made.

-
- (4) The WAO:
 - (a) must review the scheme at least once in every calendar year;
 - (b) may revise or remake the scheme at any time, and
 - (c) must lay the scheme (and any revision to it) before the National Assembly^[2].
 - (5) Where the Welsh Ministers prescribe a scale or scales of fees under:
 - (a) section 64F of the Public Audit (Wales) Act 2004 (fees for data matching); or
 - (b) section 27A of the Local Government (Wales) Measure 2009 (Welsh Ministers' power to prescribe a scale of fees) to have effect instead of a scale or scales prescribed by the WAO, the WAO must revise the scheme to include the scale or scales prescribed by the Welsh Ministers instead of those prescribed by the WAO.
 - (6) If a revision made in accordance with subsection (5) is the only revision to a scheme, it does not require the approval of the National Assembly.
 - (7) The scheme takes effect when approved by the National Assembly or, in the case of a revision made in accordance with subsection (5), once it has been laid before the Assembly.
 - (8) The WAO must publish the scheme (and any revision to it) as soon as reasonably practicable after it takes effect.

2 The extant legislation refers to the 'National Assembly' despite the change in name to 'Y Senedd/The Welsh Parliament'.

Appendix 2 – List of enactments under which the Wales Audit Office may and must charge fees

Nature of work	Enactments
The Wales Audit Office may charge fees for the following activities	
Audit of accounts by the Auditor General (other than local government accounts).	Section 23(2) Public Audit (Wales) Act 2013
Value for money studies undertaken by agreement (except educational institutions and local government bodies—see below).	Section 23(3)(a), (b) and (c) Public Audit (Wales) Act 2013
An examination, certification or report under section 31 of the Tax Collection and Management (Wales) Act 2016 in respect of the Welsh Revenue Authority’s Tax Statement.	Section 23 (3) (ba) Public Audit Wales Act 2013
An examination under section 15 of the Well-being of Future Generations (Wales) Act 2015 (anaw 2) (examinations of public bodies for the purposes of assessing the extent to which a body has acted in accordance with the sustainable development principle).	Section 23(3)(ca) Public Audit (Wales) Act 2013

Nature of work	Enactments
Any functions of a relevant authority exercised by the Wales Audit Office or the Auditor General and undertaken by agreement, and any administrative, professional or technical services to be provided by the Wales Audit Office or the Auditor General by arrangement under section 19 of the Public Audit (Wales) Act 2013.	Section 23(3)(d) Public Audit (Wales) Act 2013
An extraordinary audit of the accounts of a local government body.	Section 37(8) of the Public Audit (Wales) Act 2004
Advice and assistance provided by the Auditor General for registered social landlords.	Section 145D(2) of the Government of Wales Act 1998 Terms of payment may only be made in accordance with a scheme for charging fees under s24 of the Public Audit Wales Act 2013
The Wales Audit Office must prescribe fee scales for the following activities	
Audit of accounts of local government bodies	Section 20(A1)(a) of the Public Audit (Wales) Act 2004
Assistance to HM Chief Inspector of Education & Training Wales	Section 41A(6) of the Education Act 1997
Studies relating to Registered Social Landlords (housing associations)	Section 145C(3) of the Government of Wales Act 1998
Studies at request of local government bodies	Section 20(A1)(b) of the Public Audit (Wales) Act 2004
Benefit administration studies for the Secretary of State	Section 45(7) of the Public Audit (Wales) Act 2004
Grant certification services.	Section 23(4)(a) Public Audit (Wales) Act 2013
Studies at request of educational bodies	Section 23(4)(b) Public Audit (Wales) Act 2013

◀ Appendix 3 – Fee scales from April 2021

Fee scales for work undertaken under the National Fraud Initiative (NFI)

We are required to consult on and prescribe scales of fees for data matching for mandatory participants in the NFI. The Auditor General conducts the NFI using his statutory data-matching powers under Part 3A of the Public Audit (Wales) Act 2004.

The NFI matches data across organisations and systems to help public bodies identify potentially fraudulent or erroneous claims and transactions. The NFI has been a highly effective tool in detecting and preventing fraud and overpayments. Our last biennial report identified potential savings and over-payments of £8 million across Wales’s public services, increasing cumulative savings to £42.9 million since 1996.

Since April 2015, the Senedd has met the costs of running the NFI through payment from the Welsh Consolidated Fund. This is intended to encourage participation of organisations on a voluntary basis and simplifies arrangements for mandated participants. As required by legislation, the fees for mandatory participants are shown in **Exhibit 2**.

Exhibit 2: NFI fees

	Fee 2021-22
Unitary authority; police and crime commissioners and chief constables; fire and rescue authorities; NHS trusts; local health boards.	Nil
Voluntary participants	Nil
All participants may also be provided with access to the NFI Application Checker (App Check).	Nil

Fee scales for unitary authorities

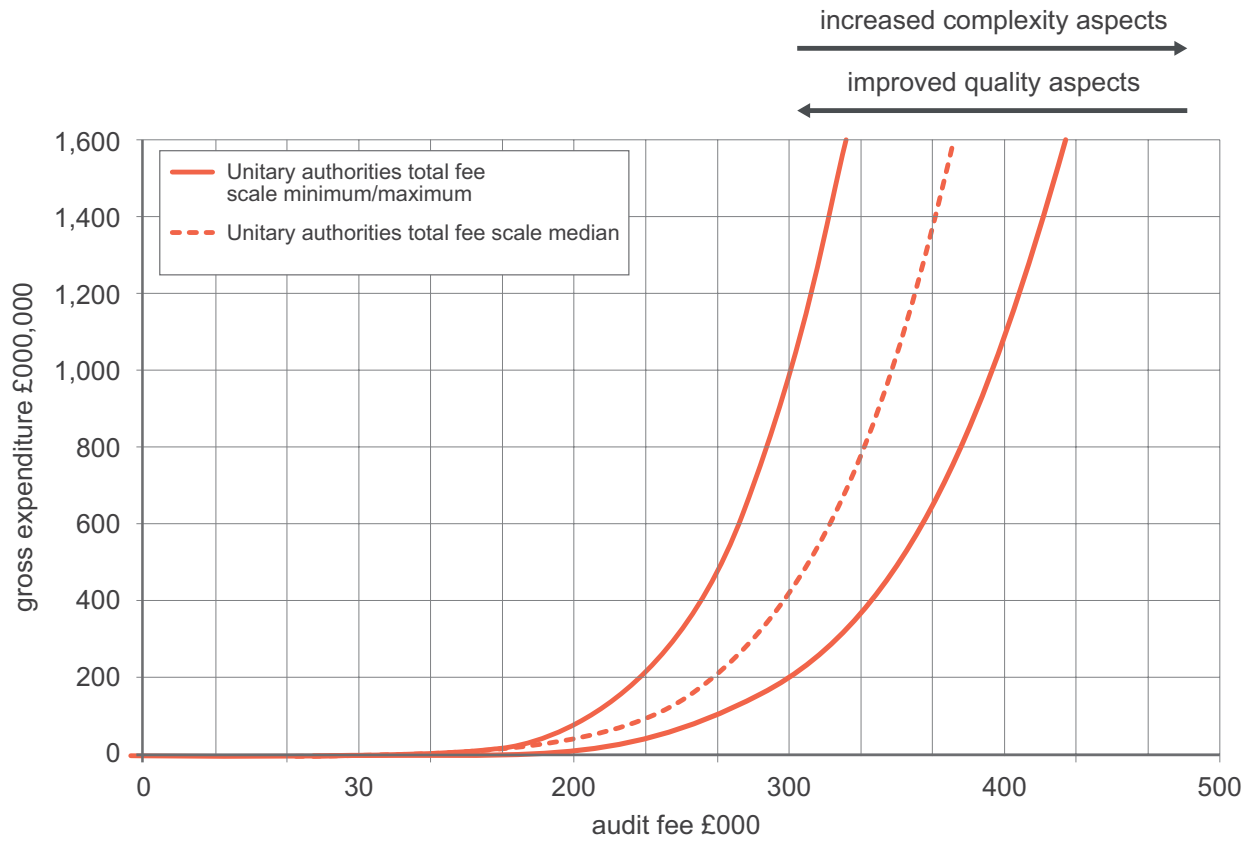
Exhibit 3: fee scale for the audit of 2020-21 accounts

Gross Expenditure £m	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
100	113	133	153	133
200	136	161	185	161
300	152	179	206	179
400	164	193	222	193
500	174	205	236	205
600	183	215	247	215
700	190	224	258	224
800	197	232	267	232
900	204	240	276	240
1,000	209	246	283	246
1,100	215	253	291	253
1,200	220	259	297	259

Exhibit 4: fee scale for 2021-22 performance audit work

All unitary authorities	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
	93	101	112	101

Exhibit 5: graph of total fee scale for unitary authorities



Fee scales for local government pension funds

Exhibit 6: fee scale for audit of 2020-21 accounts

All pension funds	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
	30	41	48	41

Fee scales for fire and rescue authorities

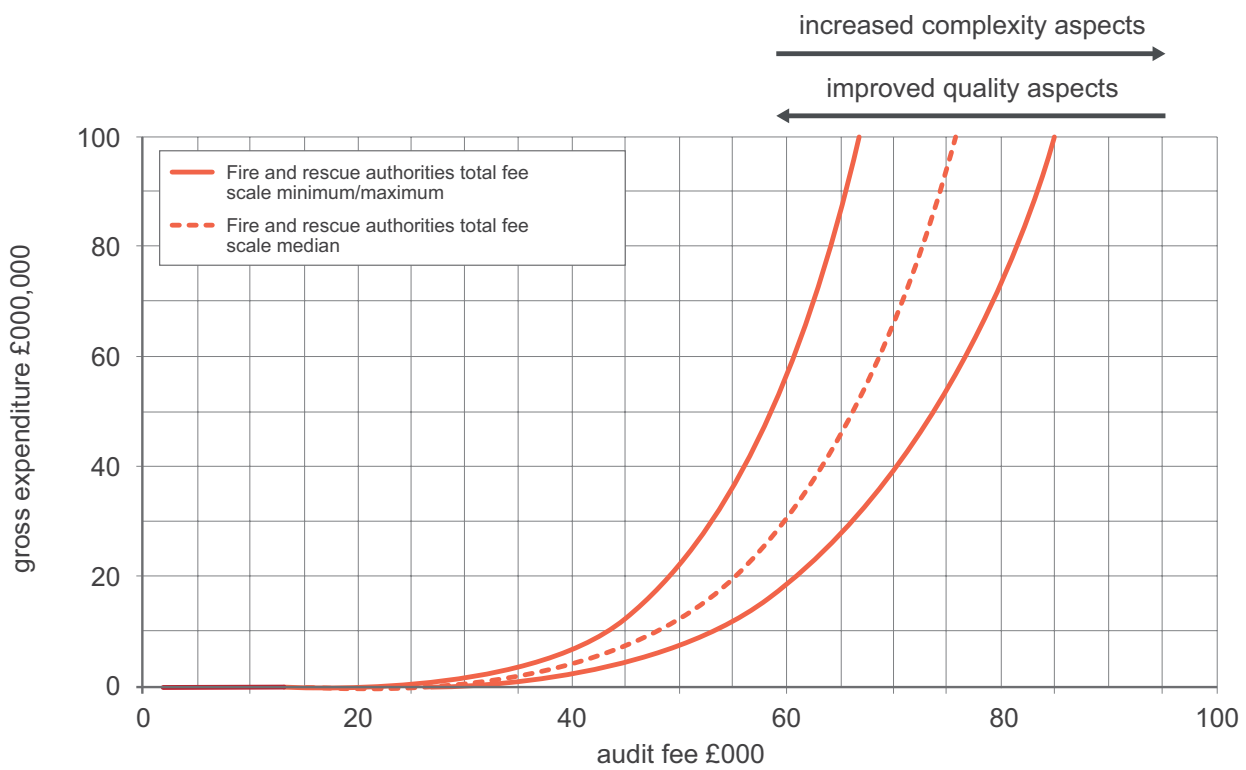
Exhibit 7: fee scale for audit of 2020-21 accounts

Gross Expenditure £m	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
20	33	39	45	39
40	40	47	54	47
60	45	52	60	52
80	48	57	65	57
100	51	60	69	60

Exhibit 8: fee scale for 2021-22 performance audit work

All fire and rescue authorities	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
	16	16	16	16

Exhibit 9: graph of total fee scale for fire and rescue authorities



Fee scales for national park authorities

Exhibit 10: fee scale for audit of 2020-21 accounts

Gross Expenditure £m	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
2	21	24	28	24
4	25	29	34	29
6	28	32	37	32
8	30	35	40	35
10	32	37	43	37

Exhibit 11: fee scale for 2021-22 performance audit work

All national park authorities	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
	14	17	19	17

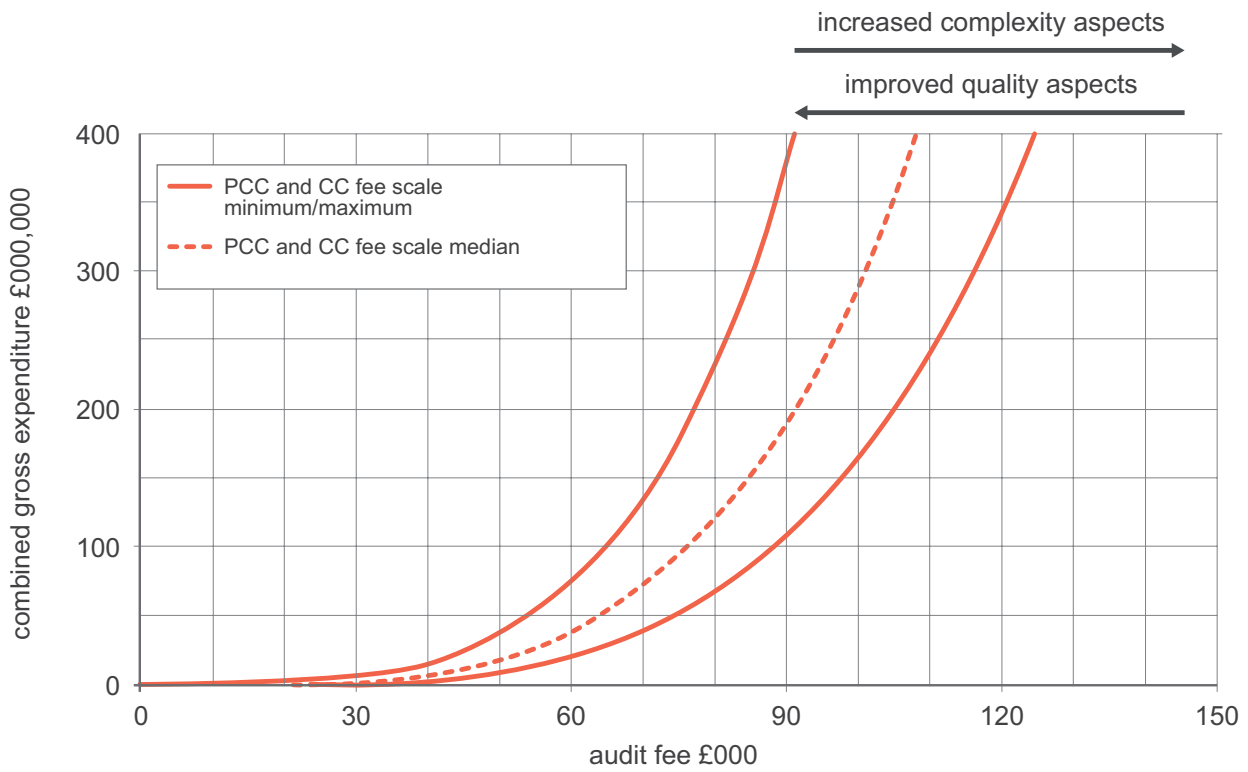
Fee scales for police and crime commissioners

Auditors undertake audits of two statutory bodies in a police area – the Police and Crime Commissioners (PCCs) and the Chief Constables (CCs). The split of the total fee between the two bodies in a particular police area will be a matter for auditors to determine, based on accounting requirements and the operational arrangements put in place by each of the bodies.

Exhibit 12: fee scale for audit of 2020-21 accounts

Combined Gross Expenditure of PCC and CC £m	Combined fee range for PCC and CC			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
50	54	64	74	64
100	65	76	88	76
150	72	85	97	85
200	77	91	105	91
250	81	96	111	96
300	85	101	116	101
350	89	105	121	105

Exhibit 13: graph of total fee scale for police and crime commissioners and chief constables



Fee scales for town and community councils with annual income or expenditure under £2.5 million

Town and community councils in Wales are subject to a limited assurance audit regime.

In January 2020, the Auditor General consulted on new audit arrangements to apply for the 2020-21 audits. In October 2020, the Auditor General published a paper setting out the changes that will be made to the audit arrangements from 2020-21 onwards where audits will be carried out on a three-year cycle as set out in **Exhibit 13**.

Exhibit 13 – Three-year audit cycle for town and community councils

	Group A	Group B	Group C
Year 1	Transaction testing	Limited procedures	Limited procedures
Year 2	Limited procedures	Transaction testing	Limited procedures
Year 3	Limited procedures	Limited procedures	Transaction testing

Charges for this work are based on the time taken to complete the audit at fee rate charges as set out in **Exhibit 1** on page 4.

In circumstances where the auditor requires further evidence to properly discharge their responsibilities, including following publication of a related public interest report, additional testing will be undertaken to address the auditor's concerns.

It is emphasised that the actual charge made to any particular body will be dependent on the time actually worked on that particular audit. The range of fees provided in **Exhibit 14** is for indicative purposes only.

Exhibit 14: estimated time charges for the audit of the 2020-21 accounts of town and community councils

	Band 1 (<£10k)	Band 2 (<£25k)	Band 3 (<£50k)	Band 4 (<£100k)	Band 5 (<£500k)	Band 6 (>£500k)
Transaction audit	£140 - £170	£150 - £185	£215 - £260	£330 - £400	£585 - £700	£775 - £1,000
Limited procedures	£100 - £120	£125 - 150	£125 - £150	£190 - £230	£190 - £230	£190 - £230

Fee rates for other work in local government

Other than those types of bodies for which fee scales have been prescribed as shown above, there are a few other types of local government body where our prescription of the fee scale is a matter of converting the resource requirements into fees directly based on the costs of delivering the work or by applying the fee rates as set out in **Exhibit 1**. It remains the case that for audits of these bodies we apply a zero-based approach to audit planning.

For all types of local government body, to meet his statutory responsibilities, it is sometimes necessary for the Auditor General to carry out work which goes beyond general duties (those set out in section 17 of the Public Audit (Wales) Act 2004 and in section 15 of the Well-being of Future Generations (Wales) Act 2015). Additional work can include reports in the public interest, extraordinary audit, special inspections and further work in relation to elector challenge and the prevention of unlawful expenditure. Charges for this type of work will reflect the nature of the work required.

Auditors may also undertake grant certification work at local government bodies on behalf of the Auditor General. The amount of grant certification work undertaken in any year is dependent on the number of schemes subject to audit and the number of audited bodies participating in those schemes. Charges for this work are made on a per-hour basis and reflect the size, complexity or any issues in respect of the grant in question as set out in **Exhibit 15**.

Exhibit 15: estimates of the relative proportions of audit staff grades to be used for different types of grants work.

Grade of staff	Complex grants staff mix %	All other grants staff mix %
Engagement director	1 to 2	0 to 1
Audit Manager	4 to 6	1 to 2
Audit Lead	18 to 21	12 to 16
Auditor/graduate trainee/apprentice	71 to 77	81 to 87

Complex grants include:

- BEN01 Housing and council tax benefits scheme
- LA01 National non-domestic rates return
- PEN05 Teachers' pensions return



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