



Llywodraeth Cymru  
Welsh Government

Welsh Government

# Supplementary Budget 2021-2022 Explanatory Note

February 2022

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## **1. Introduction**

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- 1.1** The Welsh Government today tabled the second supplementary budget for 2021-22 in accordance with Standing Order 20. This supplementary budget proposes changes to the first supplementary budget for 2021-22 as approved by Senedd Cymru ('the Senedd') on 13 July 2021.
- 1.2** This supplementary budget regularises allocations to and from reserves, transfers within and between portfolios and includes adjustments to the Wales budget to reflect the impact of UK Government fiscal events.
- 1.3** The continued fiscal impact of the coronavirus pandemic is reflected within this supplementary budget and all key allocations are set out in detail in Chapter 2.
- 1.4** This document supports the detailed 'Budget Expenditure Line (BEL) Tables' available on the Welsh Government's website.

## 2. Key Allocations

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### COVID-19 Allocations from Reserves

- 2.1** The ongoing COVID-19 pandemic and the effects of the Omicron variant continue to have an impact on our lives and our communities with further restrictions and measures in place to mitigate the effects of rising numbers of cases, particularly on our NHS over the winter months when seasonal pressures are felt. To address this and to continue to support the Welsh economy and ensure our public services are equipped to continue to deal with the wide-ranging challenges of the pandemic, the Welsh Government has provided an additional **£1.4bn** from the Reserve for allocations in response to COVID-19 in this supplementary budget. This means that since the start of the pandemic we have allocated more than **£8.4bn** to mitigate its impact.
- 2.2** The COVID-19 allocations are set out under the four broad themes of ***Health and Public Services, Supporting the Economy, Transport and Third Sector and Communities***. All the COVID-19 allocations are not recurrent in 2022-2023.
- 2.3** We have responded with support to such a broad range of matters that the theme of ***Health and Public Services*** is further organised to show the measures that we have taken in the following areas within the theme:
- Health and Social Services
  - Local Government
  - Household Support
  - Education
  - Children and Families

## Health and Public Services

<b>Health and Public Services</b>		
<i>Sub-heading</i>	<i>COVID-19 Allocations from Reserves</i>	<i>Total</i>
Health and Social Services	Health Support and Recovery	£551m
	Social Care Recovery	£140.72m
Local Government	Local Authority Hardship Fund	£135.5m
	Local Government Settlement Support	£50m
	Council tax revenue support	£19.3m
Household Support	Household Support and Winter Fuel Support	£74.724m
	Household Support – Leasing Scheme	£0.262m revenue £0.17m capital
	Tenancy Hardship grant	£8m
Education	Further Education (FE) Measures	£45.224m
	Learner recovery in schools including Recruit, Recover and Raise Standards Programme	£33m
	Personal Learning Accounts	£10m
	Support for learners in exam years	£9.594m
	Post 16 Learner transition activity	£6.27m
	Newly Qualified Teachers	£5.38m
	CO2 sensors and improvements to ventilation	£5.89m capital
	Welsh Language (Cymraeg 2050)	£2.4m
	National Strategy for Educational Research and Enquiry	£1.744m
	Additional Learning Needs	£10m
Further Education Knowledge Transfer	£2.862m	
Children and Families	Package of well-being support	£36.6m
	Early Help Programme	£7m
	Child Development Fund	£4.5m
	Youth Work Mental Health Support	£2.5m
COVID-19 Inquiry	COVID-19 inquiry preparatory work	£1.130m
		<b>£1,163.770m</b>

## Health and Public Services: Health and Social Services

- **Health Support and Recovery- £551m**

**2.4** The COVID-19 pandemic has had a massive impact on the NHS and social services in Wales. In response to the pressure this causes, we have [continued to support the NHS with a package of measures](#) in this supplementary budget to help not only with the significant costs of dealing with the pandemic and increasing capacity in our hospitals but also to help the NHS to move forward beyond the pandemic.

**2.5** Within this package, we allocated:

- **£411m** for the ongoing costs of dealing with the pandemic until April 2022. This includes the vaccination programme, testing, PPE, and new cleaning standards for infection control.
- **£100m** to help health boards' recovery plans, including speeding up the treatment of those who have been waiting the longest.
- **£40m** capital for equipment and for adapting hospitals and other buildings to increase capacity for routine procedures, whilst maintaining COVID safe areas.

- **Social Care Recovery - £140.72m**

**2.6** The pandemic continues to present challenges to social care. Local authorities are facing pressures in both adult and children's social services with the pandemic highlighting many of the pre-existing issues facing social care including increased demand, funding pressures and workforce challenges. In response to this we have allocated:

**2.7** **£50m** towards local authorities' projected overspends and plans for and to respond to winter pressures.

## **Health and Public Services: Health and Social Services (continued)**

- 2.8** £40m [to establish a Social Care Recovery Fund](#). Allocations have been made to each local authority for authorities to spend, with partners, on social care recovery activity in line with the priorities set out in the [Social Care Recovery Framework](#).
- 2.9** £8m will fund a number of specific [social care recovery activities](#), including extending the carers support fund; tackle loneliness in older people; investing in the social care workforce's wellbeing and in residential services for care-experienced children.
- 2.10** £42.72m to [help address social care system pressures](#) with a suite of measures including financial support for unpaid carers, the third sector and clusters, integrated responses through Regional Partnership Boards including micro enterprises, measures in Children's Services, and further advertising and media work to attract and retain staff.

## Health and Public Services: Local Government

- Local Authority Hardship Fund - £135.5m

**2.11** We established the Local Government Hardship Fund at the beginning of the pandemic in recognition of local authorities' wider role in the community during the crisis and the inevitable increased costs and lost income as a result of the necessary actions taken to protect public health. The Fund supports the additional costs and loss of income and covers all services in the provision of social care, education and other essential public services within the community. The pandemic continues to be uncertain and with the appearance of the omicron variant additional restrictions were put in place. Extra funding has been allocated to the hardship fund to support local authorities with the impact of these restrictions.

**2.12** In this supplementary budget the following allocations have been made to the Fund:

- **£50m** to provide financial support for delivering essential services and loss of income to 31<sup>st</sup> March 2022;
- **£46m** in recognition of the additional costs and loss of income for local authorities as a result of the impact of the Omicron variant;
- **£25.5m** to support the delivery of Adult Social Care in Wales to maintain appropriate levels of care for recipients, aid the response to the pandemic, and to support service recovery;
- **£10m** to maintain the homelessness emergency response to 31<sup>st</sup> March 2022 and ensure no-one is left without accommodation, together with the support they need to stay safe during the pandemic;
- **£4m** for the [extension of the self-isolation payment scheme](#) to 31<sup>st</sup> March 2022 to support people who have been told to isolate by NHS Wales Test Trace Protect service, but may experience financial hardship as a result of having to stay at home and miss work.

## Health and Public Services: Local Government (continued)

- Local Government settlement support

**2.13** We are allocating **£50m** of additional revenue funding to further support local authorities manage the pressures that they are facing by the effects of the pandemic.

- Council tax revenue support

**2.14** The pandemic has continued to impact on the ability of local authorities to collect council tax, leading to a reported reduction in the revenue gathered by local authorities to support local services and day-to-day operations. **£19.3m** is allocated to mitigate the impact of reductions in collection of council tax for the 2021-2022 financial year.

## Health and Public Services: Household Support

- Household Support and Winter Fuel Support - £74.724m

**2.15** To [support people in Wales with the cost-of-living crisis](#) that families are facing we are providing a range of measures aimed at helping low income households to meet the immediate pressures on living costs this winter and to reduce the impact of the cut to Universal Credit, Working Tax Credit and the rising cost of energy. This includes:

- **£61.082m** for a [Winter Fuel Support Scheme](#) to directly support families to cover their energy costs and keep their homes warm this winter. Eligible households in receipt of working age means-tested welfare benefits, can claim a one-off £200 cash payment to provide support towards paying their winter fuel bills;
- **£0.89m** capital and **£0.234m** revenue for the Western Valleys Community Transport Pilot scheme to provide regional support for community transport providers;
- Up to **£4.29m** to support preparations to extend free school meals to primary school pupils in Wales;
- **£4m** to support families with the cost of the school day. This allocation is been used to extend Pupil Development Grant-Access (PDG-Access) to all eligible pupils in every school year in primary and secondary schools, increasing funding for PDG-Access to nearly £13m in 2021-22;
- **£2m** to support local authorities with discretionary activity, aimed at preventing or relieving homelessness, which cannot be funded through other grant programmes or welfare funds;
- **£0.6m** to extend the COVID-19 Community Support Hubs pilot scheme until 31 March 2022 and to roll out the Hubs across other local authority areas in Wales;
- **£0.588m** capital and **£0.57m** revenue to support community food organisations and to support the Big Bocs Bwyd pilot scheme;

## **Health and Public Services: Household Support (continued)**

- **£0.25m** for Public Transport assistance schemes for asylum seekers about to start a short-term pilot which will provide free bus travel for asylum seekers residing in Wales;
- **£0.15m** for the fflecsi contact centre extension, as this is a Transport scheme the allocation is in the Climate Change MEG;
- **£0.06m** to support the affordable credit marketing campaign to promote credit unions as the leading providers of affordable credit in Wales;
- **£0.01m** for the Roma Community Project and the development of a Roma Support Group.

- **Household Support – Leasing Scheme**

**2.16** **£0.262m** revenue and **£0.17m** capital is allocated to the local authorities in the pilot to proceed with the first phase of the Private Sector Leasing Scheme Wales where those on low income can access good quality long term Private Rented Sector accommodation at an affordable cost.

- **Tenancy Hardship grant**

**2.17** We know that once someone falls behind with their rent it can be increasingly difficult for them to catch up without support. We are allocating **£8m** to help people in private rented accommodation who are struggling to pay their rent because of the pandemic. The grant is designed to help people stay in their homes and prevent them losing their tenancies.

## Health and Public Services: Education

- FE Measures - £45.224m

**2.18** We recognise the upheaval the pandemic has continued to have on learners, and the need to provide for recovery and adaptation. We are supporting the education sector by allocating **£45.224m** for a range of measures and activities to help institutions in managing the impacts of the pandemic and other national priorities. This includes:

- **£19.225m** and **£7m** for digital and green maintenance and equipment, to align the learner offer with economic demands;
- **£8.129m** to support the costs of delivering to learners in a safe environment and maintaining learner services to ensure the most disadvantaged learners are not further impacted;
- **£3m** to increase support of the Renew and Reform programme to manage impacts of the pandemic;
- **£2m** for the design and roll out of a Net Carbon Zero e-learning module for all vocational level 3 learners;
- **£1.665m** for the increased costs of consumables used in the delivery of vocational learning programmes; and
- **£3.7m** for increased cleaning costs to reduce transmission risks and **£0.505m** to allow colleges to maintain Free School Meals equivalence.

## Health and Public Services: Education (continued)

- **Learner Recovery**

**2.19** We have allocated **£33m** additional funding for the Recruit Recover Raise Standards programme to enable schools to support learner recovery, to address impacts of COVID-19 and invest in resources to support the delivery of the new curriculum.

- **Personal Learning Accounts**

**2.20** We are supporting [Personal Learning Accounts](#) with an allocation of **£10m** from the reserve to boost Wales' popular Personal Learning Accounts to enable further education colleges to deliver additional courses and qualifications which will help 2,000 people access a wider range of job and earning opportunities in priority sectors, such as the NHS and hospitality facing labour shortages.

- **Support for learners in exam years - £9.594m**

**2.21** We want to ensure all young people in qualifications years are able to access practical support or advice to help them so they can look forward to the next step of their life, whether that be in education, training or employment. We are allocating **£6m** as additional funding to support the teaching and learning of learners in qualifications years, particularly in core qualifications such as Maths and English that are important for progression and help to promote confidence and learner well-being, as well as to support those who feel anxious about exams.

**2.22** **£3.594m** has been provided to support learning recovery and the delivery of the alternative arrangements for qualifications undertaken in 2021. The allocation also funds an external evaluation of recruit, recover and raise standards (RRRS).

## **Health and Public Services: Education (continued)**

- **Post 16 Learner Transition Activity**

**2.23** We are committed to ensuring young people can move confidently to their next steps despite the disruption of the pandemic. We are allocating **£6.27m** to support them with their transition into the next stage of their education or career. This includes activities such as taster sessions into vocational careers and open days to give them the opportunity to understand and trial a choice of progression pathways.

- **Newly Qualified Teachers**

**2.24** With schooling disrupted by the pandemic many trainee teachers across Wales missed the opportunity to gain experience with in-classroom training. As part of the 1<sup>st</sup> Supplementary Budget we allocated £6m to ensure newly-qualified teachers (NQTs) have a term of employment to support their transition into teaching. This additional **£5.38m** has enabled us to extend the employment to a total of two terms and takes total funding to over £11m in 2021-2022.

- **CO2 sensors and improvements to ventilation**

**2.25** We have provided **£5.89m** of capital funding for Carbon Dioxide (CO2) sensors and improvements to ventilation to support the rollout of CO2 monitors for schools, colleges and universities.

- **Welsh Language (Cymraeg 2050)**

**2.26** **£2.4m** has been allocated to support the delivery of our five-year national strategy [Work Programme for Cymraeg 2050](#). £2.2m of this allocation is to expand late immersion provision which helps learners entering Welsh-medium education at a later stage (typically after the age of seven) and pupils for whom Welsh may not have been part of their daily routine, to gain the skills and confidence needed to continue their learning through Welsh. It will contribute towards the aim of reaching one million Welsh speakers by 2050, and increasing the daily use of our language. The remaining £0.2m will support the Eisteddfod Genedlaethol to recover following the impact of COVID-19.

## Health and Public Services: Education (continued)

- **National Strategy for Educational Research and Enquiry**

**2.27** **£1.744m** has been provided to support the National Strategy for Educational Research and Enquiry (NSERE) work including evidence reviews on the impact of the pandemic on aspects of the education system and the implications for the Renew and Reform programme as well as a research programme to capture robust empirical evidence on the impact of the pandemic on the wellbeing and educational progress of learners.

- **Further Education Knowledge Transfer**

**2.28** **£2.862m** has been allocated to support a Knowledge Transfer Scheme aimed at colleges and independent work based learning providers fund the delivery of master classes or research projects designed to accelerate and build expertise for staff. This will increase the learner's knowledge and learning experience in subjects such as digital, green skills, retrofit construction and engineering.

- **Additional Learning Needs**

**2.29** The impact of COVID-19 is affecting all learners, but disproportionately affecting vulnerable and disadvantaged learners, particularly children and young people with Additional Learning Needs (ALN). By providing extra resource to support learners with ALN to recover from the effects of the pandemic, we can reduce the likelihood of long-term and/or lifelong impacts on their education, skills, health, and wellbeing.

**2.30** We have provided **£10m** for targeted support for children and young people with ALN who have been further disadvantaged by the pandemic.

## **Health and Public Services: Children and Families**

**2.31** We continue to place children's rights at the heart of our response to the pandemic, providing support and opportunities for children and families within their community, childcare, play and education settings. A [£36.6m package of well-being support](#) has been allocated to support families and children recover from the pandemic. Allocated via local authorities it comprises of:

- **£11.638m** of capital funding to support our childcare and play settings, including Flying Start;
- **£5m capital** to support increased play opportunities in line with play sufficiency assessment action plans; and
- **£20m** to support the commitments set out in [Renew and Reform](#) (comprising £11.45m, £6.3m, £2.25m to the E&WL MEG, HSS MEG and the Economy MEG respectively). It is allocated to build on the success of projects such as the Summer of Fun, providing more opportunities for children and young people aged 0-25 to develop their social, emotional and physical well-being. £2.3m will support activities being taken forward by our museums, libraries, Sport Wales and their national partners, and Urdd Gobaith Cymru, enabling the provision of activities in a variety of settings and for all ages and abilities.

- **Early Help Programme**

**2.32** **£7m** has been allocated for initiatives to support early year, childcare and play services and provision and to assist with the short term impact of the pandemic on these services.

- **Child Development Fund**

**2.33** We have provided **£4.5m** for the continuation of the Child Development Fund to local authorities to provide additional developmental support and build on the approaches seen so far in areas including speech, language and communication delay; fine and gross motor skills delay; and personal and social development.

## **Health and Public Services: Children and Families (continued)**

- Youth Work Mental Health Support

### **2.34** £2.5m is provided to local authorities through the Youth Support Grant

to work with the voluntary sector and reach a wider range of young people, including those with protected characteristics who are not currently engaged with youth work and who may not currently be engaged with formal education, training or work. It will support youth workers to deliver early intervention and prevention services for those with low-level emotional mental health and wellbeing issues, and be available all across Wales.

## **Health and Public Services: COVID-19 Inquiry**

- COVID-19 Inquiry preparatory work

**2.35** £1.13m for the preparations and activity in relation to the COVID-19 Public Inquiry.

## Supporting the Economy

<b>Supporting the Economy</b>	
<i>COVID-19 Allocations from Reserves</i>	<i>Total</i>
Emergency support for businesses	£125m
Business Innovation	£13.9m capital
Cultural Recovery Fund	£14.75m
Food and Drink Industry Recovery	£12m
Visitor Economy Boost	£4.92m
Sport and Leisure Recovery Fund	£4m
Cadw	£2m
Glamorgan Cricket Club loss of income	£0.71m
	<b><u>£177.28m</u></b>

**2.36** We know Welsh retail, hospitality, leisure and tourism businesses and their supply chains have been impacted by the rapid spread of the Omicron variant and the sector needs emergency financial support at this challenging time. We have extended this help to [newly-established businesses](#) and non-essential retail so that smaller shops will be supported and our high streets can continue to thrive.

- **Emergency support for businesses**

**2.37** **£125m [package of emergency support](#)**, which includes provision for the administration costs of running the scheme, available for Welsh businesses impacted by the spread of Omicron through the period 13 December 2021 to 14 February 2022 – the timeframe is linked to the expected impact for those businesses. The funding comprises three elements:

- Non Domestic Rates (NDR) linked grants of up to £6,000;
- A discretionary fund delivered by Local Authorities to support sole traders, freelancers and businesses who do not pay rates, with grants of £1,000 - £2,000; and
- The reopening of the Economic Resilience Fund (ERF). On top of NDR based grants, this fund sees grants of up to £25,000 made available for severely impacted hospitality and leisure business – and their supply chains.

## Supporting the Economy (continued)

- **Business Innovation**

**2.38** The COVID Research & Development scheme in 2020 demonstrated a real demand from businesses and research organisations to engage in developing new products and processes to assist with the recovery from the pandemic. A **£13.9m** capital allocation will enable businesses, universities, the public and private sectors to further collaborate on a variety of SMART Business Innovation projects to develop new products, processes and services. This activity also supports cross departmental delivery of key Programme for Government priorities, including circular economy goals, decarbonisation, environmental sustainability, health innovation, life sciences and innovative housing.

- **Cultural Recovery Fund**

**2.39** In recognition of the pandemic's significant impact on and the valuable contribution of the cultural sector, we have provided funding over the course of the pandemic to ensure the long term stability of the cultural sector across a number of funds, resulting in the vast majority, if not all venues, escaping permanent closure. **£14.75m** is an additional allocation to support the [running of a third round of the Cultural Recovery Fund](#).

- **Food and Drink Industry Recovery**

**2.40** COVID-19 has impacted the Welsh food and drink sector hugely and threatens business survival. **£8m** revenue and **£4m** capital is allocated to support a series of priority actions set out in the [Food and Drink Wales Covid-19 Recovery Plan](#) to support the food and drink industry so that the majority of businesses and supply-chain networks have enough resilience to survive.

## Supporting the Economy (continued)

- Visitor Economy Boost

**2.41** Tourism continues to face challenges as a result of restrictions to control the pandemic. **£4.92m** is allocated to support a range of measures to boost the visitor economy in Wales which includes the extension of Visit Wales Autumn/Winter marketing activity and develop resources and core products for the tourism industry specifically to boost visits into Spring 2022.

- Sport and Leisure Recovery Fund

**2.42** The sports sector also continues to suffer as a result of the pandemic and we are allocating **£4m** for a Sport and Leisure Recovery Fund 2 to support the sector in meeting the ongoing challenges of the crisis and provide some of the recovery measures needed to support longer-term sustainability.

- Cadw

**2.43** Cadw has a vital role in protecting our heritage and taking care of historical properties, and in usual times delivers significant benefits in terms of the economy and tourism, as well as important social and environmental impacts. The pandemic continues to have an impact on Cadw's commercial income, particularly in the early months of the 2021-22 financial year, and we are allocating **£2m** in response.

- Glamorgan Cricket Club loss of income

**2.44** We are allocating **£0.71m** to support Glamorgan County Cricket Club as a result of the continuing financial impact of the pandemic on its income from spectator revenue.

## Transport

<b>Transport</b>	
<i>COVID-19 Allocations from Reserves</i>	<i>Total</i>
Support for Rail Services	£53.1m
Bus Support	£22m
	<b><u>£75.1m</u></b>

- **Support for Rail and Bus Services – total £75.1m**

**2.45** Restrictions put in place to mitigate the effects of the pandemic continue to have an impact on public transport use and passenger revenue.

**2.46** **£53.1m** is allocated for further subsidisation and support for the continued operation of rail services across the Wales and Borders region for the period 1<sup>st</sup> January to 31<sup>st</sup> March 2022. This required is due to the suppressed passenger demand leading to reduction in farebox revenue and the changes in how rail services are now managed.

- **Bus Support**

**2.47** **£22m** is allocated to support the bus industry maintain and improve levels of service provision to meet evolving passenger demand and enable operators and passengers to use the network safely through the transitional period as the country recovers from the pandemic.

**2.48** While there has been an increase in demand for bus services as the lockdown restrictions have eased, demand is still well down on the pre-pandemic journey numbers over the same period.

## **Third Sector and Communities**

<b>Third Sector and Communities</b>	
<i>COVID-19 Allocations from Reserves</i>	<i>Total</i>
Discretionary Assistance Fund	£4.2m
Third Sector Support	£6m
Advocacy and Advice	£1.5m
Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV)	£1m
Support for Africa	£1.5m
Support for Disabled People	£0.88m
	<b>£15.08m</b>

**2.49** We continue to prioritise the needs of the most vulnerable in society and to mitigate the impact of the ongoing effect of the pandemic we are making the following allocations.

- **Discretionary Assistance Fund**

**2.50** **£4.2m** to the Discretionary Assistance Fund to continue the rules relaxation around applying for a payment, providing greater flexibility and discretion to the number and frequency of Emergency Assistance Payments up to 31 March 2022. We are extending these flexibilities to include people impacted by the withdrawal of the Universal Credit £20 uplift payment introduced in October 2021.

- **Third Sector Support**

**2.51** The third sector has provided an important role in response to the pandemic, offering many invaluable services and advice. The sector has been hit hard by the pandemic, not only losing funds due to the lack of fund raising opportunities but also digging into their reserves in order to keep services running.

## **Third Sector and Communities (continued)**

**2.52** We are allocating **£3m** to help the third sector provide continued vital support to vulnerable people and complement statutory services and **£3m** of additional funding to the Third Sector Resilience Fund set up to help voluntary sector organisations survive the ongoing pandemic and help them to improve their resilience and future sustainability.

- **Advocacy and Advice**

**2.53** Inequalities in our society have been exacerbated by the pandemic and the financial pressures that face households across Wales are now intensifying due to the combined impact of end of the £20 Universal Credit uplift payment and significant cost of living increases. **£1.5m** is allocated to support the provision of Advice Services so that people understand all the financial support that is available to them and are able to access the advice and support they need to navigate through the social security system.

- **VAWDASV**

**2.54** The pandemic raised significant challenges for victims, survivors and specialist services in the Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) sector. **£1m** is allocated to support preventative work, including healthy relationship education in schools and Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) awareness raising campaigns.

- **Support for Africa**

**2.55** Wales has longstanding relationships with both Namibia and the Mbale region of Uganda and many people from Wales are engaged in these community or institution based links. We are allocating **£1.5m** to provide support for a number of projects including Oxygen Namibia to provide oxygen for both immediate national COVID-19 lifesaving needs, and sustainable long-term use beyond the pandemic.

### Third Sector and Communities (continued)

- Support for Disabled People

**2.56 £0.88m** to support a range of measures in response to the key findings in the Locked Out report including the establishment of a Ministerial Taskforce to deliver the report's recommendations. Disabled people have experienced some of the most disproportionate and adverse impacts of the pandemic.

## **Other Key Allocations from Reserves**

**2.57** As a responsible government we have used the resources available to us to ensure our spending plans in-year address the immediate challenges that the pandemic continues to cause. We must also address the long-term impacts of the pandemic on services, businesses and individuals and support the path of our public services and economy to recovery, so that we emerge as a stronger Wales as a result. We remain focused on delivering our ambitious Programme for Government commitments to build the stronger, greener, fairer Wales that we all want to see helping public services and our economy recover from the pandemic, and moving us closer towards being a zero-carbon nation.

**2.58** Detailed here are some of the key allocations in support of these ministerial priorities. All allocations are set out by MEG and shown in the tables included in Chapter 6. They are not recurrent into 2022-2023.

### **Health and Social Services MEG**

**2.59** **£15m** capital to support the work at the Hywel Dda University Health Board for operating theatre facilities.

**2.60** **£5.905m** capital for the procurement of Matrix House office building in Swansea by the NHS Wales Shared Service Partnership.

**2.61** **£5.264m** capital for the procurement of the Merthyr Ambulance Workshop, and Plas Gororau building to complement the planned continuity works and the proposed redevelopment of the Wrexham Maelor Hospital.

**2.62** **£10.818m** capital for the procurement of medical equipment by Swansea Bay University Health Board.

## Other Key Allocations from Reserves

### Finance and Local Government MEG

- 2.63** To help people with the cost of living crisis, **£152m** has been allocated to provide a £150 cost-of-living payment to all households who live in properties in council tax bands A-D, as well as recipients of the Council Tax Reduction Scheme in all bands. The Welsh Government will be working with local authorities to provide more detail about how the scheme will operate and will begin making payments as soon as possible.
- 2.64** In addition to this £152m programme, a further **£25m** will be provided as a discretionary fund for local authorities, allowing councils to use their local knowledge to help households who may be struggling.
- 2.65** Local authorities are facing many challenges to effectively manage their capital programmes as a result of interruptions and delays that have been perpetuated by the pandemic and the current general escalating costs in the construction industry. We are allocating **£70m** capital to be distributed to local authorities on the basis of the local government general capital grant funding.
- 2.66** **£65.531m** capital to enable the annual instalments of government funding to be paid to the Cardiff Capital Region, Swansea Bay and North Wales deals following the UK Government's decision to reprofile its contributions to the deals.
- 2.67** The February 2020 floods caused unprecedented damage and local authorities across Wales are still carrying out structural repairs and rebuild to damaged infrastructure. This has been hampered to some extent by the restrictions over the past two years from the pandemic. We are providing additional financial assistance of **£19.037m** capital to help meet recovery costs arising from the widespread and significant damage caused.

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**2.68** £8m revenue to fund the [Electoral Innovations Programme](#) to be delivered as part of the 2022 Local Elections. The Programme is part of a broader five-year programme of electoral reform.

## Other Key Allocations from Reserves

### Education and Welsh Language MEG

- 2.69** While we want to support the education sector in recovering from the pandemic, we also have to make sure we continue to plan for the future, and help all education settings across Wales fulfil our collective goals of making Wales a net-zero nation.
- 2.70** **£50m** capital is provided via local authorities through the Sustainable Communities for Learning programme. The funding will help schools carry out capital repair and improvement work, with a focus on health and safety measures, such as improving ventilation. The funding will also be used to support decarbonisation.
- 2.71** **£45m** of revenue funding will also help support school budgets, assisting schools as they continue to deal with the ongoing impacts of the pandemic and to prepare for the requirements of the new curriculum.
- 2.72** **£52.5m** has been allocated to support a range of measures including:
- **£40m** for maintenance, equipment and other developments that support the transition to net zero and digital transformation, £20m of which is to be focused on investment in improvements of services and facilities for students;
  - **£10.5m** for additional research activity, including £0.5m to support Net Zero Wales developments; and
  - **£2m** to support further investment in the Welsh Innovation Network, to develop bidding capacity and capability in Welsh universities working with business, public service and/or community organisations.

- 2.73** £8m of additional funding is allocated to help schools whose budgets and staff capacity are already stretched, prepare for, and implement the new Additional Learning Needs system.
- 2.74** £7.072m has been provided to support year 11 learners who have low attendance to complete their GCSEs or help them reach the next stage in their education or in starting a career, as well as enhanced attendance support for other years. Funding will also be provided to support well-being and education for learners at other settings, as well as additional training to help support children and young people who have suffered trauma or have a mental health issue.
- 2.75** £7.9m has been allocated towards supporting the cost of the 2021/22 teachers' pay award in schools and FE colleges.
- 2.76** £5.09m to fund [reading programmes](#) across Wales to provide a book for every learner in Wales, alongside a targeted scheme of reading support focusing on early years and disadvantaged learners.
- 2.77** £5.5m capital and £1.32m revenue to provide schools with [additional resources](#) for music, and £0.05m for Welsh history resources to support the new curriculum.
- 2.78** £0.527m is provided to support costs associated with free access into Urdd Eisteddfod in its centenary year.
- 2.79** £0.35m has been allocated to develop a community schools approach with enhanced family engagement activities.
- 2.80** £0.5m for Wales Data Nation Accelerator, a national programme of interventions that will help Wales to become resilient and prosperous in light of the transformation taking place due to the widespread reach of data science and artificial intelligence.

## Other Key Allocations from Reserves

### Climate Change MEG

- 2.81** We are allocating **£23m** capital and **£0.5m** revenue to support the advancement of proposals to develop land and/or buildings suitable for social housing developments, and to accelerate the empty homes pilot scheme.
- 2.82** **£20m** is provided to support the social housebuilding sector with the cost pressures due to the significant increases in the costs of materials.
- 2.83** **£4.75m** is allocated to support the implementation of the recommendations of the Burns Commission Report for Newport.
- 2.84** **£4.5m** capital has been provided for the acquisition of St Tydfil's Shopping Centre as part of the regeneration of the town as set out in the strategic Placemaking plan.
- 2.85** **£2m** is allocated to support the costs of surveying building fire safety issues in high and medium rise residential properties.
- 2.86** **£1.1m** to support the work being undertaken on coal tip safety in Wales.

## Other Key Allocations from Reserves

### Economy MEG

- 2.87** We are allocating **£18m** in financial transaction capital in support of a loan to the Welsh Rugby Union.
- 2.88** **£10m** capital to support power supply facilities at Imperial Park, Newport.

## **Other Key Allocations from Reserves**

### **Rural Affairs MEG**

- 2.89** £1m to support the Small Scale Coastal Infrastructure Scheme.
- 2.90** £0.06m to review the large scale TB testing programme in order to future-proof delivery of TB testing in Wales.

## **Other Key Allocations from Reserves**

### **Social Justice MEG**

- 2.91** We are allocating **£3m** (financial transaction capital) to increase the Community Asset Loan Fund set up to enable the purchase and improvement of community assets by voluntary sector organisations.
- 2.92** **£1.86m** to fund the recruitment and deployment costs for an additional 100 Police Community Support Officers.
- 2.93** **£0.48m** capital is provided to carry out a programme of improvements to complete the refurbishment of Hillside Secure Children's Home.

## **Other Key Allocations from Reserves**

### **Central Services and Administration MEG**

**2.94** We are allocating **£15m** to support WG staff costs.

**2.95** **£9.5m** is provided to fund the Senedd Election 2021.

**2.96** **£0.4m** funding is allocated to establish [Independent Commission on the Constitutional Future of Wales](#).

### **3. Changes to the Wales Budget since the First Supplementary Budget 2021-22**

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**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	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022
	£000s	£000s	£000s
<b>RESOURCE FINANCING</b>			
<b>Departmental Expenditure Limit (DEL):</b>			
Fiscal	16,237,179	322,340	16,559,519
Non-Fiscal	1,519,960	62,530	1,582,490
Drawdown from the Wales Reserve	125,000	0	125,000
<b>Annually Managed Expenditure (AME):</b>			
Fiscal	27,915	-969	26,946
Non-Fiscal	149,934	222,130	372,064
<b>Wales Devolved Financing:</b>			
Non Domestic Rates	721,500	0	721,500
Welsh Rate of Income Tax	2,064,061	0	2,064,061
Land Transaction Tax	280,215	87,031	367,246
Landfill Disposals Tax	34,350	10,996	45,346
Principal repayment of borrowing	-2,417	0	-2,417
<b>TOTAL RESOURCE FINANCING</b>	<b>21,157,697</b>	<b>704,058</b>	<b>21,861,755</b>
<b>CAPITAL FINANCING</b>			
<b>Departmental Expenditure Limit (DEL):</b>			
General	2,462,350	343,310	2,805,660
Financial Transactions	147,704	-17,978	129,726
Financial Transactions - Drawdown from the Wales Reserve	0	50,000	50,000
<b>Annually Managed Expenditure (AME):</b>			
Capital	968,961	61,835	1,030,796
<b>Wales Devolved Financing:</b>			
Borrowing	150,000	-37,000	113,000
<b>TOTAL CAPITAL FINANCING</b>	<b>3,729,015</b>	<b>400,167</b>	<b>4,129,182</b>
<b>TOTAL WELSH FINANCING</b>	<b>24,886,712</b>	<b>1,104,225</b>	<b>25,990,937</b>

**Table 3.2 – Allocation of the Wales Budget**

MAIN EXPENDITURE GROUPS (MEGs)		£000s		
		2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022
Health and Social Services		9,892,281	1,081,771	10,974,052
Finance and Local Government		5,449,116	666,326	6,115,442
Education and the Welsh Language		3,258,325	424,730	3,683,055
Climate Change		2,729,704	51,903	2,781,607
Economy		644,384	123,814	768,198
Rural Affairs		356,305	10,651	366,956
Social Justice		151,746	20,723	172,469
Central Services and Administration		325,217	30,075	355,292
<b>Total Allocation to Welsh Government MEGs</b>		<b>22,807,078</b>	<b>2,409,993</b>	<b>25,217,071</b>
Unallocated Resource	Fiscal Resource	1,264,917	-1,264,895	22
	Non-Fiscal Resource	554,431	-17,826	536,605
Unallocated Capital	General	114,026	-114,026	0
	Financial Transactions	67,565	91,049	158,614
Senedd Commission		62,914	-1,700	61,214
Public Services Ombudsman for Wales		5,110	178	5,288
Wales Audit Office		8,148	1,480	9,628
Electoral Commission		1,750	0	1,750
Direct Charges to the Welsh Consolidated Fund		773	-28	745
<b>TOTAL WELSH BUDGET</b>		<b>24,886,712</b>	<b>1,104,225</b>	<b>25,990,937</b>

**Table 3.3 – Changes to the Welsh Government MEG Resource Allocations**

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	FISCAL			NON-FISCAL		
	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022
Health and Social Services	9,170,141	601,640	9,771,781	186,137	57,000	243,137
Finance and Local Government	4,518,207	526,119	5,044,326	212	0	212
Education and the Welsh Language	1,667,854	282,461	1,950,315	498,148	554	498,702
Climate Change	859,104	119,803	978,907	239,121	25,000	264,121
Economy	458,263	98,306	556,569	11,598	0	11,598
Rural Affairs	330,145	7,851	337,996	11,554	-2,200	9,354
Social Justice	103,299	18,528	121,827	169	-20	149
Central Services and Administration	293,028	30,647	323,675	16,000	20	16,020
<b>Total Allocation to Welsh Government MEGs</b>	<b>17,400,041</b>	<b>1,685,355</b>	<b>19,085,396</b>	<b>962,939</b>	<b>80,354</b>	<b>1,043,293</b>

**Table 3.4 – Changes to the Welsh Government MEG Capital Allocations**

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	GENERAL CAPITAL			FINANCIAL TRANSACTIONS		
	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022
Health and Social Services	387,600	134,127	521,727	0	0	0
Finance and Local Government	209,197	140,227	349,424	0	-20	-20
Education and the Welsh Language	269,780	76,028	345,808	1,968	-1,141	827
Climate Change	1,460,577	36,775	1,497,352	74,310	-44,808	29,502
Economy	125,613	27,090	152,703	385	-14,582	-14,197
Rural Affairs	14,606	5,000	19,606	0	0	0
Social Justice	16,887	1,660	18,547	3,476	1,524	5,000
Central Services and Administration	13,189	-592	12,597	0	0	0
<b>Total Allocation to Welsh Government MEGs</b>	<b>2,497,449</b>	<b>420,315</b>	<b>2,917,764</b>	<b>80,139</b>	<b>-59,027</b>	<b>21,112</b>

**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 6.

## **Adjustments to Sources of Finance**

### **Fiscal Resource**

- 3.3** The Fiscal Resource baseline has increased by a net amount of £322,340k comprising:
- Barnett consequentials totalling £628,517k comprising:
    - £314,280k in respect of funding announced in the UK Autumn Budget 2021; and
    - £134,041k expected in the UK Government's Supplementary Estimates in February 2022. This amount is net of £180,196k in respect of council tax rebate measures announced by the UK Government for England in February 2022 and will be carried forward for use by the Welsh Government into 2022-23;
  - Non Barnett funding of £26,504k from HM Treasury comprising:
    - £11,227k in respect of NDR repayments via HMT;
    - £9,016k in respect of NDR voluntary repayments;
    - £5,150k in respect of prior year adjustments relating to the Immigration Health Surcharge;
    - £885k in respect of the Tampon Tax funding; and
    - £226k in respect of a cash management rebate;
  - Transfers in from other Government Departments totalling £129,051k, comprising:
    - £84,120k from the Department of Health and Social Care comprising:
      - £82,437k in respect of the NHS Test and Trace programme;
      - £775k in respect of death certificate reform and the introduction of medical examiners;
      - £508k in respect of contaminated blood; and
      - £400k in respect of Afghanistan re-settlers in bridging accommodation;

- A transfer in of £37,976k from the Home Office in respect of the Immigration Health Surcharge balance for 2021-22;
- A transfer in of £3,700k from the Securities and Intelligence Agencies in respect of cyber resilience;
- A transfer in of £1,636k from the Department for Transport (DfT) in respect of the Core Valley Lines maintenance and renewals;
- A transfer in of £1,000k from the Department for Environment, Food and Rural Affairs in respect of a boost to the fisheries seafood sector;
- A transfer in of £369k from the Department of Work and Pensions in respect of the Health Innovation Fund;
- A transfer in £250k from the Department for Business, Energy & Industrial Strategy in respect of Salix administration costs;
- An decrease of £(45,749)k as a result of a recalculation and subsequent increase in the block grant adjustment; and
- Transfers out totalling £(561)k to the Department for Culture, Media and Sport (DCMS) comprising:
  - £(362)k in respect of 'Breaking Barriers';
  - £(100)k in respect of the 'National Forestry Community Woodland Grant';
  - £(51)k in respect of the 'National Heritage Memorial Fund', and
  - £(48)k in respect of 'Local Places for Nature'; and
- A decrease of £(415,422)k as a result of a resource to general capital budget switch.

### Non-Fiscal Resource

**3.4** Since the first Supplementary Budget the non fiscal resource baseline has increased by £62,530k, comprising:

- £44,458k for the depreciation on the Core Valley Line: and
- Barnett consequentials totalling £18,072k, expected in the UK Supplementary Estimates.

## Wales Devolved Financing

**3.5** The forecasts for Land Transaction Tax and Landfill Tax have increased by £98,027k reflecting the forecasts published by the [OBR](#) in December 2021. Whilst the OBR's update also revises the forecast for the Welsh Rate of Income Tax (WRIT) for 2021-22, the revenues from WRIT in this budget remain as £2,064,061k in accordance with the [Fiscal Framework](#) agreed with the UK Government. The level of local authority expenditure financed by non-domestic rates remains the same at £721,500k.

## General Capital

**3.6** The general capital baseline has increased by a net amount of £343,310k comprising:

- A net increase in Barnett consequentials totalling £56,781k, comprising:
  - An increase of £110,788k in respect of funding announced in the UK Autumn Budget 2021; and
  - A decrease of £(54,007)k expected in the UK Government's Supplementary Estimates in February 2022;
- A net increase in Non-Barnett additions of £6,231k in respect of funding for City and Growth Deals;
- A net increase of £14,018k as a result of transfers with other Government Departments, comprising:
  - £11,925k from the DfT in respect of the Core Valley Lines maintenance and renewals;
  - £2,993k from the DCMS in respect of digital infrastructure; and
  - £(900)k in respect of transfers to the DCMS comprising:
    - £(600)k in respect of 'Local Places for Nature'; and
    - £(300)k in respect of the 'National Heritage Memorial Fund';
- A decrease of £(149,142)k as a result of 2020-21 CDEL spend adjustment; and
- An increase of £415,422k as a result of a resource to general capital budget switch.

## Financial Transactions Capital

**3.7** Since the first Supplementary Budget the baseline ring-fenced for financial transaction capital has increased by £32,022k comprising:

- The drawdown of £50,000k funding from the Wales Reserve; and
- A reduction of £(17,978)k due to negative Barnett consequentials expected from the UK Government's Supplementary Estimates in February 2022.

**Table 3.5 – Summary of the Welsh Government MEG Total Allocations**

<b>2021-22 TOTAL MEG ALLOCATIONS as per SUPPLEMENTARY BUDGET</b>										
<b>£000s</b>										
<b>MAIN EXPENDITURE GROUPS (MEGs)</b>	<b>Resource</b>			<b>Capital</b>			<b>AME</b>			<b>TOTAL MEG ALLOCATION</b>
	<b>Fiscal</b>	<b>Non Fiscal</b>	<b>Resource Total</b>	<b>General</b>	<b>Financial Transactions</b>	<b>Capital Total</b>	<b>Resource</b>	<b>Capital</b>	<b>AME Total</b>	
Health and Social Services	9,771,781	243,137	<b>10,014,918</b>	521,727	0	<b>521,727</b>	437,407	0	<b>437,407</b>	<b>10,974,052</b>
Finance and Local Government	5,044,326	212	<b>5,044,538</b>	349,424	-20	<b>349,404</b>	721,500	0	<b>721,500</b>	<b>6,115,442</b>
Education and the Welsh Language	1,950,315	498,702	<b>2,449,017</b>	345,808	827	<b>346,635</b>	-143,393	1,030,796	<b>887,403</b>	<b>3,683,055</b>
Climate Change	978,907	264,121	<b>1,243,028</b>	1,497,352	29,502	<b>1,526,854</b>	11,725	0	<b>11,725</b>	<b>2,781,607</b>
Economy	556,569	11,598	<b>568,167</b>	152,703	-14,197	<b>138,506</b>	61,525	0	<b>61,525</b>	<b>768,198</b>
Rural Affairs	337,996	9,354	<b>347,350</b>	19,606	0	<b>19,606</b>	0	0	<b>0</b>	<b>366,956</b>
Social Justice	121,827	149	<b>121,976</b>	18,547	5,000	<b>23,547</b>	26,946	0	<b>26,946</b>	<b>172,469</b>
Central Services and Administration	323,675	16,020	<b>339,695</b>	12,597	0	<b>12,597</b>	3,000	0	<b>3,000</b>	<b>355,292</b>
<b>TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs</b>	<b>19,085,396</b>	<b>1,043,293</b>	<b>20,128,689</b>	<b>2,917,764</b>	<b>21,112</b>	<b>2,938,876</b>	<b>1,118,710</b>	<b>1,030,796</b>	<b>2,149,506</b>	<b>25,217,071</b>

## 4. Transfers between Ministerial Portfolios

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**4.1** Multiple transfers totalling £50,488k have taken place between MEGs in this supplementary budget. Information of the transfers of £1,000k and above are detailed below:

### Fiscal Resource

**4.2** Fiscal resource transfers totalling £26,419k have taken place and these include:

- £7,220k transferred from the Health and Social Services MEG to the Finance and Local Government MEG:
  - £3,720k in respect of the reallocation of childcare budget initiatives to support early year, childcare and play services; and
  - £3,500k in respect of indicative grant allocations;
- £1,398k transferred from the Health and Social Services MEG to the Education and The Welsh Language MEG in respect of North and West Wales medical expansion;
- £3,700k transferred from the Climate Change MEG to the Education and Welsh Language MEG in respect of homelessness prevention, early identification and intervention.
- £2,842k transferred from the Climate Change MEG to the Economy MEG in respect of the management and development budget for the St Athan Estate; and
- £1,000k transferred from the Health and Social Services MEG to the Social Justice MEG for the procurement of future digital inclusion intervention.

### General Capital

**4.3** Capital transfers totalling £24,069k have taken place and these include:

- £14,760k transferred to the Climate Change MEG in respect of changes in ministerial responsibilities, comprising:
  - £10,560k from the Finance and Local Government MEG; and
  - £4,200k from the Economy MEG;

- 
- £5,051 transferred from the Finance and Local Government MEG to the Health and Social Services MEG in respect of Invest to Save;
  - £2,000k transferred from the Climate Change MEG to the Economy MEG in respect of the management and development budget for the St Athan Estate; and
  - £1,814k transferred from the Climate Change MEG to the Health and Social Services MEG in respect of the Intermediate Care Fund.

## 5. Transfers within Ministerial Portfolios

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**5.1** In addition to the transfers between Ministerial Portfolios detailed in section 4, there are a number of transfers between BELs within the same portfolios which are included within the published BEL Tables. These are generally administrative in nature and have no net effect on the individual MEG totals. Information of the transfers of £1,000k and above are detailed below.

### Health and Social Services

**5.2** Multiple resource transfers totalling £25,569k have taken place between BELs within the Health and Social Services MEG. In summary, these transfers:

- align allocations to fund specific commitments; and
- re-distribute the COVID-19 funding originally allocated to the 'Core NHS Allocation' BEL.

### Finance and Local Government

**5.3** Multiple resource and capital transfers totalling £3,200k have taken place between BELs within the Finance and Local Government MEG the most significant of which is:

- £2,375k resource transferred from Non-domestic Rate – Rates Relief to Emergency Financial Assistance in respect of Local Government recovery funding for the February 2020 floods.

### Education and the Welsh Language

**5.4** Multiple resource transfers totalling £181k and capital transfers totalling £17,410k have taken place between BELs within the Education and The Welsh Language MEG.

- £10,000k capital was transferred from Education Infrastructure to Further Education Provision relating to the targeted maintenance and equipment funding for further education colleges in Wales; and

- £7,410k capital transferred from Education Infrastructure to the new Supporting Digital Learning in Education BEL to extend the Hwb National Microsoft Licence.

## Climate Change

**5.5** Multiple resource transfers totalling £9,213k and capital transfers totalling £89,400k have taken place between BELs in the Climate Change MEG.

### Resource:

- £7,500k has been transferred from multiple BELs to Natural Resources Wales to address budget pressures. The most significant of these transfers were:
  - £1,774k from Enabling Natural Resources;
  - £1,676k from Radioactivity & Pollution Prevention;
  - £1,535k from Resource Efficiency and Circular Economy; and
  - £1,314k from Clean Energy;
- £1,499k has been transferred from Planning & Regulation Expenditure to the new Planning and Environment Decisions Wales BEL.

### Capital:

- £50,000k capital has been transferred from Social Housing Grant to the new Residential Decarbonisation & Quality BEL in respect of the Optimised Retrofit Programme;
- £28,000k capital has been transferred from National Transport Infrastructure to Network Operations in respect of budget reprioritisation;
- £5,600k capital has been transferred from Resource Efficiency and Circular Economy to Flood Risk Management & Water Revenue in respect of Coal Tip safety;
- £2,800k financial transaction capital has been transferred from Building Safety to Regeneration in respect of the Transforming Town Projects;

- £1,500k capital transferred from Resource Efficiency and Circular Economy BEL to Natural Resources Wales to address budget pressures; and
- £1,500k financial transaction capital from Sustainable and Active Travel to Strategic Infrastructure Development.

## Economy

**5.6** Multiple resource transfers totalling £1,938k and capital transfers totalling £10,833k have taken place between BELs in the Economy MEG.

### Resource:

- £1,000k from Communities for Work to Creative Wales.

### Capital:

- £4,000k underspend has been transferred from Valleys Task Force to Sport Wales to support sport programmes;
- £6,683k has been transferred from Tourism including:
  - £3,585k to Creative Wales to meet the expenditure on projects ahead of schedule;
  - £1,350k to the National Botanic Garden of Wales to enable them to undertake essential works; and
  - £1,200k to Careers Wales.

## Central Services and Administration

**5.7** Multiple resource transfers totalling £8,048k and capital transfers totalling £5,508k have taken place between BELs in the Central Services and Administration MEG:

### Resource:

- £4,653k to Staff Costs:
  - £3,390k from IT Costs in respect of ICT Transfer of Undertakings (Protection of Employment) (TUPE); and
  - £1,263k from Central EU Transition Costs for the cost of the Social Partnership and Trade Policy Team.

### Capital:

- £5,508k from General administration Expenditure including:
  - £4,482k to IT Costs in respect of capital allocations and changes in delegations.

### Resource to Capital Budget Switches

**5.8** Multiple resource to capital budget switches totalling £50,713k have taken place within MEGs, the details are as follows:

- Health and Social Services - £45,275k in respect of the reclassification of research and development budgets;
- Finance and Local Government - £846k in respect of Invest to Save.
- Economy - £4,000k in respect of Business Wales and Business Innovation; and
- Social Justice - £592k in respect of International Development.

### Capital to Resource Budget Switches

**5.9** Multiple capital to resource budget switches totalling £43,327k have taken place within MEGs, the details are as follows:

- Climate Change - £42,735k comprising:
  - £37,000k in respect of Concessionary Fares COVID-19 allocations;
  - £3,735k in respect of Sustainable and Active Travel; and
  - £2,000k financial transaction capital in respect of fire safety.
- Central Services and Administration - £592k in respect of General Administration costs.

## 6. Changes to Reserves

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**6.1** This budget regularises a number of allocations to and from reserves. Key allocations are detailed in Chapter 2 but this chapter summarises all movements by MEG and provides a full list of all transactions in table 6.1.

### Allocations from Fiscal Resource Reserves

**6.2** Allocations totalling £1,315,692k have been made from fiscal resource reserves in response to COVID-19. The MEG breakdown is as follows:

• Health and Social Services	£ 612,520k
• Finance and Local Government	£ 333,482k
• Education and the Welsh Language	£ 115,714k
• Climate Change	£ 75,512k
• Economy	£ 153,364k
• Rural Affairs	£ 8,000k
• Social Justice	£ 15,970k
• Central Services and Administration	£ 1,130k

**6.3** In addition, other allocations totalling £431,269k have also been made to portfolios from fiscal resource reserves. The MEG breakdown is as follows:

• Health and Social Services	£ 45,202k
• Finance and Local Government	£ 185,300k
• Education and the Welsh Language	£ 161,309k
• Climate Change	£ 8,838k
• Rural Affairs	£ 60k
• Social Justice	£ 1,860k
• Central Services and Administration	£ 28,700k

An additional £43,327k in fiscal resource funding has been allocated to the MEGs from reserves as a result of multiple capital to resource budget

switches. (Details of all MEG budget switches can be found in Chapter 5.)

#### Transfers to Fiscal Resource Reserves

**6.4** Transfers totalling £(104,933)k have been made into fiscal resource reserves. This includes £(50,713)k relating to a number of switches between resource and capital budgets. (Details of all MEG budget switches can be found in Chapter 5).

#### Movements in Non Fiscal Resource Reserves

**6.5** There have been a small number of movements affecting non fiscal resource reserves in this supplementary budget. The net result is an increase in allocations of £80,354k. The MEG movements are as follows:

• Health and Social Services	£ 57,000k
• Climate Change	£ 25,000k
• Education and The Welsh Language	£ 554k
• Rural Affairs	£ (2,200)k

#### Allocations from General Capital Reserves

**6.6** Allocations totalling £82,576k have been made from general capital reserves in response to COVID-19. The MEG breakdown is as follows:

• Health and Social Services	£ 45,000k
• Education and the Welsh Language	£ 17,528k
• Climate Change	£ 170k
• Economy	£ 15,290k
• Rural Affairs	£ 4,000k
• Social Justice	£ 588k

**6.7** In addition, other allocations totalling £328,953k have also been made to portfolios from general capital reserves. The MEG breakdown is as follows:

• Health and Social Services	£ 36,987k
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• Finance and Local Government	£	154,568k
• Education and the Welsh Language	£	58,500k
• Climate Change	£	67,418k
• Economy	£	10,000k
• Rural Affairs	£	1,000k
• Social Justice	£	480k

An additional £50,713k in general capital funding has been allocated to the MEGs from reserves as a result of multiple resource to capital budget switches. (Details of all MEG budget switches can be found in Chapter 5.)

### Transfers to General Capital Reserves

**6.8** Transfers totalling £(41,927)k have been made into general capital reserves. These include £(41,327)k relating to a number of switches between capital and resource budgets. (Details of all MEG budget switches can be found in Chapter 5.)

### Allocations from Financial Transaction Capital Reserves

**6.9** There have been two transfers from the financial transaction capital reserves totalling £21,000k, The MEG breakdown is as follows:

• Economy	£	18,000k
• Social Justice	£	3,000k

### Allocations to Financial Transaction Capital Reserves

**6.10** There have been multiple transfer totalling £(78,027)k back to the financial transaction capital reserves. This includes £(2,000)k relating to a capital to resource budget switch, details of which can be found in Chapter 5. The MEG breakdown is as follows:

• Education and the Welsh Language	£	(1,141)k
• Climate Change	£	(42,808)k
• Economy	£	(32,582)k
• Social Justice	£	(1,496)k

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Table 6.1 below reflects all the movements on reserves:

**Table 6.1 - Changes to the 2021-22 Reserves since the First Supplementary Budget and the Allocations from Reserves being made in this Supplementary Budget**

	£000s						
	Fiscal Resource	Non-Fiscal Resource	Total Resource	General Capital	Financial Transaction Capital	Total Capital	Total
<b>Reserves as per First Supplementary Budget</b>	1,264,917	554,431	1,819,348	114,026	67,565	181,591	2,000,939
Transfers & Consequentials since the First Supplementary Budget	737,762	62,530	800,292	(72,112)	(17,978)	(90,090)	710,202
Adjustments to Sources of Finance	98,027	0	98,027	0	0	0	98,027
Change in Drawdown of Wales Reserve	0	0	0	0	50,000	50,000	50,000
Resource to General Capital Baseline Switch	(415,422)	0	(415,422)	415,422	0	415,422	0
Reduction in Capital Borrowing	0	0	0	(37,000)	0	(37,000)	(37,000)
<b>Revised Reserves</b>	<b>1,685,284</b>	<b>616,961</b>	<b>2,302,245</b>	<b>420,336</b>	<b>99,587</b>	<b>519,923</b>	<b>2,822,168</b>
<b>CHANGES:</b>							
<b>HEALTH &amp; SOCIAL SERVICES</b>							
<b>COVID-19 Allocations:</b>	<b>612,520</b>	<b>0</b>	<b>612,520</b>	<b>45,000</b>	<b>0</b>	<b>45,000</b>	<b>657,520</b>
Core NHS Allocations - COVID Allocations	499,500	0	499,500	0	0	0	499,500
A Healthier Wales - Child Development Fund	4,500	0	4,500	0	0	0	4,500
Other NHS Budgets - Dedicated COVID Allocations	6,000	0	6,000	0	0	0	6,000
Targeted Health Protection & Immunisation - Extended vaccination programme iro COVID allocations	5,500	0	5,500	0	0	0	5,500
Sustainable Social Services - Social Services Discrete Support Fund	40,000	0	40,000	0	0	0	40,000
Sustainable Social Services - Winter pressures within Social Services	42,720	0	42,720	0	0	0	42,720
Sustainable Social Services - Social Services Recovery Fund	8,000	0	8,000	0	0	0	8,000

Support for Childcare and Play - Recovery funding for initiatives to support early years, childcare and play services and provision	6,300	0	6,300	0	0	0	6,300
Core NHS Allocations - NHS Wales Recovery	0	0	0	40,000	0	40,000	40,000
Support for Childcare and Play - Support for Children and Play	0	0	0	5,000	0	5,000	5,000
<b>Others:</b>	<b>(73)</b>	<b>57,000</b>	<b>56,927</b>	<b>82,262</b>	<b>0</b>	<b>82,262</b>	<b>139,189</b>
Core NHS Allocations - LIBOR funds from HMT	24	0	24	0	0	0	24
Core NHS Allocations - Transfer from the Department of Health and Social Care in respect of Afghanistan re-settlers in bridging accommodation	400	0	400	0	0	0	400
Core NHS Allocations - Additional non cash requirement for the NHS	0	57,000	57,000	0	0	0	57,000
Other Direct NHS Allocations - Transfer from the Department of Health and Social Care in respect of Infected Blood HIV payments	508	0	508	0	0	0	508
Other NHS Budgets - Transfer from Home Office iro Immigration Health Surcharge	37,976	0	37,976	0	0	0	37,976
Other NHS Budgets - Transfer from HMT iro prior year Immigration Health Surcharge	5,150	0	5,150	0	0	0	5,150
Other NHS Budgets - Transfer from the Department of Health and Social Care in respect of Death Certificate Reform & Introduction of Medical Examiners	775	0	775	0	0	0	775
Mental Health - Transfer from the Department of Work and Pensions in respect of the Individual Placement Support Scheme	369	0	369	0	0	0	369
Research and Development - Reclassification of R&D budgets	(45,275)	0	(45,275)	45,275	0	45,275	0
Core NHS Allocations - Merthyr Ambulance Workshop and BCU Plas Gororau in Wrexham	0	0	0	5,264	0	5,264	5,264
Core NHS Allocations - Purchase of Matrix House	0	0	0	5,905	0	5,905	5,905
Core NHS Allocations - Medical and IT equipment	0	0	0	10,818	0	10,818	10,818

Core NHS Allocations - Demountable theatres for Hywel Dda Health Board	0	0	0	15,000	0	15,000	15,000
<b>HEALTH &amp; SOCIAL SERVICES</b>	<b>612,447</b>	<b>57,000</b>	<b>669,447</b>	<b>127,262</b>	<b>0</b>	<b>127,262</b>	<b>796,709</b>
<b>FINANCE AND LOCAL GOVERNMENT</b>							
<b>COVID-19 Allocations:</b>	<b>333,482</b>	<b>0</b>	<b>333,482</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>333,482</b>
Local Government General Revenue Funding - Amendment to Local Government settlement	50,000	0	50,000	0	0	0	50,000
Emergency Financial Assistance - Support for Self-Isolation: Extension of the Protect offer and the Self-Isolation Support Scheme	4,000	0	4,000	0	0	0	4,000
Emergency Financial Assistance - Homelessness Emergency Response	10,000	0	10,000	0	0	0	10,000
Emergency Financial Assistance - support for local commissioners to deliver adult social care in Wales	25,500	0	25,500	0	0	0	25,500
Emergency Financial Assistance - Tenancy Hardship Grant - Grant Caledi Tenantiaeth	8,000	0	8,000	0	0	0	8,000
Emergency Financial Assistance - Local Government Hardship Fund to meet expected costs and claims for loss of income	50,000	0	50,000	0	0	0	50,000
Emergency Financial Assistance - Household Support Fund - Winter Fuel Support Scheme	61,082	0	61,082	0	0	0	61,082
Emergency Financial Assistance - Household Support Fund - Community COVID Support Hubs	600	0	600	0	0	0	600
Emergency Financial Assistance - Household Support Fund - Homelessness	2,000	0	2,000	0	0	0	2,000
Emergency Financial Assistance - Social Care	50,000	0	50,000	0	0	0	50,000
Emergency Financial Assistance - Hardship Fund	46,000	0	46,000	0	0	0	46,000
Emergency Financial Assistance - CT Collection	19,300	0	19,300	0	0	0	19,300
Children & Communities Grant - Recovery funding for initiatives to support early year, childcare and play services and provision	7,000	0	7,000	0	0	0	7,000

<b>Others:</b>	<b>184,454</b>	<b>0</b>	<b>184,454</b>	<b>155,414</b>	<b>0</b>	<b>155,414</b>	<b>339,868</b>
Cost of Living Support Scheme	152,000	0	152,000	0	0	0	152,000
Cost of Living Support Scheme – Discretionary Fund for Local Authorities	25,000	0	25,000	0	0	0	25,000
Election Policy - Electoral Reform	8,000	0	8,000	0	0	0	8,000
Ystadau Cymru - Consultation to identify areas of public estate that will maximise contribution to Zero Carbon 2030	300	0	300	0	0	0	300
Invest to Save - Resource to Capital switch	(846)	0	(846)	846	0	846	0
City & Growth Deals - City Deals	0	0	0	65,531	0	65,531	65,531
Emergency Financial Assistance - Flood Recovery	0	0	0	19,037	0	19,037	19,037
Local Government General Capital Funding - Local Government capital funding	0	0	0	70,000	0	70,000	70,000
<b>FINANCE AND LOCAL GOVERNMENT</b>	<b>517,936</b>	<b>0</b>	<b>517,936</b>	<b>155,414</b>	<b>0</b>	<b>155,414</b>	<b>673,350</b>
<b>EDUCATION AND THE WELSH LANGUAGE</b>							
<b>COVID-19 Allocations:</b>	<b>115,714</b>	<b>0</b>	<b>115,714</b>	<b>17,528</b>	<b>0</b>	<b>17,528</b>	<b>133,242</b>
Curriculum & Assessment - Support the delivery of qualifications	3,000	0	3,000	0	0	0	3,000
Curriculum & Assessment - "Winter of Well-being" music project under wider "Winter of Well-being" programme	503	0	503	0	0	0	503
Curriculum & Assessment - Support learners in qualifications years in light of the continuing disruption to teaching and learning	6,000	0	6,000	0	0	0	6,000
Curriculum Reform - Reform of the school day, under wider "Winter of Well-being" programme	2,000	0	2,000	0	0	0	2,000
Teacher Development and Support - Learning resources for learners in qualifications years	500	0	500	0	0	0	500
Teacher Development and Support - External evaluation of Recruit, Recover, Raise Standards Programme	72	0	72	0	0	0	72
Teacher Development and Support - Extension of the Initial Teacher Education Programme	1,700	0	1,700	0	0	0	1,700

Teacher Development and Support - Rapid evidence reviews of the impact of the pandemic on children, young people & the wider education system	1,000	0	<b>1,000</b>	0	0	<b>0</b>	<b>1,000</b>
Teacher Development and Support - Longitudinal research on the impact of the pandemic on the Welsh education system and the recovery of the system	484	0	<b>484</b>	0	0	<b>0</b>	<b>484</b>
Teacher Development and Support - To further support for Collaborative Research Networks (National Strategy for Educational Research & Enquiry)	260	0	<b>260</b>	0	0	<b>0</b>	<b>260</b>
Teacher Development and Support - Extension of the newly qualified teachers' placement programme	3,680	0	<b>3,680</b>	0	0	<b>0</b>	<b>3,680</b>
Further Education Provision - Provide Free School Meals for colleges and to reduce transmission risks by contributing to increased cleaning costs	4,205	0	<b>4,205</b>	0	0	<b>0</b>	<b>4,205</b>
Further Education Provision - Additional Learning Needs - Further Education Institution allocations	1,000	0	<b>1,000</b>	0	0	<b>0</b>	<b>1,000</b>
Further Education Provision - Programme to help support the physical, social and mental wellbeing of children and young people through the winter under the wider "Winter of Well-being" programme	1,000	0	<b>1,000</b>	0	0	<b>0</b>	<b>1,000</b>
Further Education Provision - Personal Learning Accounts	10,000	0	<b>10,000</b>	0	0	<b>0</b>	<b>10,000</b>
Further Education Provision - Provide support to business	2,862	0	<b>2,862</b>	0	0	<b>0</b>	<b>2,862</b>
Further Education Provision - Digital and green maintenance and equipment - Further Education Colleges	19,225	0	<b>19,225</b>	0	0	<b>0</b>	<b>19,225</b>
Further Education Provision - Digital and green maintenance and equipment - Adult Community Learning (ACL) providers	7,000	0	<b>7,000</b>	0	0	<b>0</b>	<b>7,000</b>
Further Education Provision - Recognise increased costs of consumables used in the delivery of vocational learning programmes in Further Education colleges	1,665	0	<b>1,665</b>	0	0	<b>0</b>	<b>1,665</b>

Further Education Provision - Allow for the Education Workforce Council to deliver a recruitment campaign, and for providers to meet the current pressures on staff recruitment and retention	1,000	0	1,000	0	0	0	1,000
Further Education Provision - Allow for targeted pilot interventions via the Post-16 & Transitions renew and reform programme	2,000	0	2,000	0	0	0	2,000
Further Education Provision - Allow for the design and roll out of a Net Carbon Zero e-learning module for all vocational level 3 learners	2,000	0	2,000	0	0	0	2,000
Further Education Provision - Support incremental costs of delivering to learners in a safe environment and maintaining learner services to ensure the most disadvantaged learners are not further impacted	8,129	0	8,129	0	0	0	8,129
Further Education Provision - Learner transition activity in the Post 16 Sector	6,270	0	6,270	0	0	0	6,270
HEFCW Programme Expenditure - Support activities aimed at developing social, emotional, mental and physical wellbeing over the winter months	1,300	0	1,300	0	0	0	1,300
School Improvement Grant - Nurseries providing foundation phase to recruit additional staff as part of Recruit, Recover, Raise Standards Programme	22	0	22	0	0	0	22
School Improvement Grant - Schools to provide a range of activities for children and young people, under wider "Winter of Well-being" programme	6,580	0	6,580	0	0	0	6,580
Pupil Development Grant - Costs associated with the school day	4,000	0	4,000	0	0	0	4,000
Additional Learning Needs - LA allocation	9,000	0	9,000	0	0	0	9,000
Food & Nutrition in Schools - Preparations for extending Free School Meal eligibility	4,290	0	4,290	0	0	0	4,290
Youth Engagement & Employment - Youth work mental health support through the expansion of the Youth Support Grant for young people aged 11-25	2,500	0	2,500	0	0	0	2,500
Welsh in Education - Immersion provision	2,200	0	2,200	0	0	0	2,200
Welsh Language - Continued support of the Eisteddfod Genedlaethol	200	0	200	0	0	0	200

Welsh Language - Urdd to support children and young people 0-25 across Wales, under wider "Winter of Well-being" programme	67	0	67	0	0	0	67
Education Infrastructure - Flying Start	0	0	0	4,802	0	4,802	4,802
Education Infrastructure - Place Settings	0	0	0	6,836	0	6,836	6,836
Education Infrastructure - Carbon Dioxide (CO2) sensors and improvements to ventilation for schools, colleges and universities	0	0	0	5,890	0	5,890	5,890
<b>Others:</b>	<b>161,309</b>	<b>554</b>	<b>161,863</b>	<b>58,500</b>	<b>(1,141)</b>	<b>57,359</b>	<b>219,222</b>
Literacy & Numeracy - Expansion of literacy programmes	5,090	0	5,090	0	0	0	5,090
Curriculum & Assessment - Provide schools with additional resources for music to support the new curriculum	1,320	0	1,320	0	0	0	1,320
Curriculum & Assessment - Provide schools with additional resources for Welsh history to support the new curriculum	50	0	50	0	0	0	50
Teacher Development and Support - Teacher's Pay Award	6,400	0	6,400	0	0	0	6,400
Further Education Provision - Further Education element of the Teacher's Pay Award	1,500	0	1,500	0	0	0	1,500
HEFCW Programme Expenditure - Investment in the sector to support their estates management plans	20,000	0	20,000	0	0	0	20,000
HEFCW Programme Expenditure - Digital and green maintenance and equipment for Higher Education institutions	20,000	0	20,000	0	0	0	20,000
HEFCW Programme Expenditure - Funding towards research activity in targeted areas of Wales Data Nation Accelerator, Wales Innovation Network and Net Zero Wales	12,500	0	12,500	0	0	0	12,500
School Improvement Grant - Support learning recovery, the Recruit, Recover, Raise Standards Programme & enable schools to invest in resources to support the delivery of the new curriculum	33,000	0	33,000	0	0	0	33,000

Additional Learning Needs - Implement the new Additional Learning Needs Act	8,000	0	8,000	0	0	0	8,000
Whole School Approach to Wellbeing - Support Programme for Government and ministerial priorities	226	0	226	0	0	0	226
Student Loans Resource Budget Provision - RAB charge for increased number of undergraduate students	0	554	554	0	0	0	554
Tackling Disaffection -Support Programme for Government and ministerial priorities within the Equity in Education Division	6,846	0	6,846	0	0	0	6,846
Community Schools	350	0	350	0	0	0	350
Research Evidence and International - Research activity for Wales Data Nation Accelerator	500	0	500	0	0	0	500
Welsh Language - Infrastructure to facilitate free entry to the Urdd Eisteddfod	527	0	527	0	0	0	527
Education Infrastructure - Support revenue maintenance costs in schools	45,000	0	45,000	0	0	0	45,000
Curriculum & Assessment - Provide schools with additional resources for music to support the new curriculum - capital element	0	0	0	5,500	0	5,500	5,500
Education Infrastructure - Local Authorities to support capital maintenance works for schools	0	0	0	50,000	0	50,000	50,000
Education Infrastructure - Return of Financial Transaction capital in relation to the Mutual Investment Model (MIM) for Sustainable Communities for Learning Programme	0	0	0	0	(1,141)	(1,141)	(1,141)
Further Education Provision - Maintenance and equipment funding for Further Education colleges	0	0	0	3,000	0	3,000	3,000
<b>EDUCATION AND THE WELSH LANGUAGE</b>	<b>277,023</b>	<b>554</b>	<b>277,577</b>	<b>76,028</b>	<b>(1,141)</b>	<b>74,887</b>	<b>352,464</b>

CLIMATE CHANGE							
<b>COVID-19 Allocations:</b>	<b>112,512</b>	<b>0</b>	<b>112,512</b>	<b>(36,830)</b>	<b>0</b>	<b>(36,830)</b>	<b>75,682</b>
Homelessness - Leasing Scheme Wales	262	0	262	170	0	170	432
Transport for Wales - Impact of COVID-19 on the fare box	53,100	0	53,100	0	0	0	53,100
Bus Support - Extension of fflecsi bus service contact centre support	150	0	150	0	0	0	150
Bus Support - COVID-19 impact on bus services	22,000	0	22,000	0	0	0	22,000
Concessionary Fares - Capital to resource switch relating to COVID allocations	37,000	0	37,000	(37,000)	0	(37,000)	0
<b>Others:</b>	<b>7,353</b>	<b>25,000</b>	<b>32,353</b>	<b>63,083</b>	<b>(44,808)</b>	<b>18,275</b>	<b>50,628</b>
Flood Risk Management & Water Revenue - Coal Tip Safety	1,100	0	1,100	0	0	0	1,100
Biodiversity, Evidence and Plant Health - Transfers to the Department of Culture, Media and Sport for Breaking barriers and for Local Places for Nature	(410)	0	(410)	(600)	0	(600)	(1,010)
Forestry - Transfer to the Department of Culture, Media and Sport for the Community Woodlands Scheme	(100)	0	(100)	0	0	0	(100)
Natural Resources Wales - Windfarm Income	(6,710)	0	(6,710)	0	0	0	(6,710)
Building Safety - Capital to Revenue Switch - Fire Safety	2,000	0	2,000	0	(2,000)	(2,000)	0
Land Release Fund - Advancement of social and affordable homes	500	0	500	0	0	0	500
Centre for Digital Public Services - Additional projects	852	0	852	0	0	0	852
Network Asset Management - Burns Commission	4,750	0	4,750	0	0	0	4,750
Network Operations Non Cash - Additional non cash requirement in respect of the Roads Network depreciation	0	15,000	15,000	0	0	0	15,000
Transport for Wales - Transfer from the Department for Transport in respect of Core Valley Line maintenance and renewals	1,636	0	1,636	11,925	0	11,925	13,561
Transport for Wales - Additional non cash allocation in respect of the Core Valley Line depreciation	0	10,000	10,000	0	0	0	10,000

Sustainable and Active Travel - Capital to resource switch	1,820	0	1,820	(3,735)	0	(3,735)	(1,915)
Road Safety - Capital to resource switch	1,915	0	1,915	0	0	0	1,915
Homelessness - Provide accommodation to homeless young people	0	0	0	5,000	0	5,000	5,000
Social Housing Grants (SHG) - SHG increased materials costs	0	0	0	20,000	0	20,000	20,000
Building Safety - Return of unallocated funding	0	0	0	0	(7,200)	(7,200)	(7,200)
Help to Buy Wales Fund and Other Schemes - Return of unutilised Tenancy Saver Loan funding	0	0	0	0	(8,040)	(8,040)	(8,040)
Help to Buy Wales Fund and Other Schemes - Return of underspend of Help to Buy Wales funding	0	0	0	0	(19,068)	(19,068)	(19,068)
Land Release Fund - Advancement of social and affordable homes	0	0	0	23,000	0	23,000	23,000
Sustainable and Active Travel - Return of unutilised funding	0	0	0	0	(8,500)	(8,500)	(8,500)
ICT Infrastructure Operations - Transfer from Department of Culture, Media and Sport in respect of Digital Infrastructure	0	0	0	2,993	0	2,993	2,993
Regeneration - Acquisition of St Tydfil's shopping centre	0	0	0	4,500	0	4,500	4,500
<b>CLIMATE CHANGE</b>	<b>119,865</b>	<b>25,000</b>	<b>144,865</b>	<b>26,253</b>	<b>(44,808)</b>	<b>(18,555)</b>	<b>126,310</b>
<b>ECONOMY</b>							
<b>COVID-19 Allocations:</b>	<b>153,364</b>	<b>0</b>	<b>153,364</b>	<b>15,290</b>	<b>0</b>	<b>15,290</b>	<b>168,654</b>
Business & Regional Economic Development - Emergency business support	125,000	0	125,000	0	0	0	125,000
Valleys Task Force - Household Support Fund - Western Valleys Community Transport Pilot	234	0	234	890	0	890	1,124
Tourism - Boost to the Visitor Economy	1,120	0	1,120	0	0	0	1,120
Arts Council of Wales - Cultural Winter Stability Fund	4,750	0	4,750	500	0	500	5,250
Support for Local Culture and Sport - Recovery Funding	9,500	0	9,500	0	0	0	9,500
Support for Local Culture and Sport - Covid Recovery Funding - Delivering a Year of Fun	1,250	0	1,250	0	0	0	1,250

Support for Local Culture and Sport - Glamorgan County Cricket Club - Spectator Sport Survival Fund	710	0	710	0	0	0	710
Creative Wales - Boost to the Visitor Economy	3,600	0	3,600	0	0	0	3,600
Cadw - Cadw Revenue Deficit	2,000	0	2,000	0	0	0	2,000
Cadw - Boost to the Visitor Economy	200	0	200	0	0	0	200
Sport Wales - Sport and Leisure Recovery Fund 2	4,000	0	4,000	0	0	0	4,000
Sport Wales - Recovery Funding - Delivering a Year of Fun	1,000	0	1,000	0	0	0	1,000
Business Innovation - Budget allocation from COVID Business Support to Business Innovation Projects.	0	0	0	13,900	0	13,900	13,900
<b>Others:</b>	<b>(51,000)</b>	<b>0</b>	<b>(51,000)</b>	<b>14,000</b>	<b>(14,582)</b>	<b>(582)</b>	<b>(51,582)</b>
Entrepreneurship - Resource to Capital switch	(2,000)	0	(2,000)	0	0	0	(2,000)
Business Wales - Resource to Capital switch	(2,000)	0	(2,000)	0	0	0	(2,000)
European Regional Development Fund - Budget to match WEFO income	(47,000)	0	(47,000)	0	0	0	(47,000)
Business & Regional Economic Development - FT Repayments - Neptune 6	0	0	0	0	(12,582)	(12,582)	(12,582)
Business Finance Funds - Repayment of Wales Life Science Investment Fund	0	0	0	0	(20,000)	(20,000)	(20,000)
Property Infrastructure – Imperial Park	0	0	0	10,000	0	10,000	10,000
Business Innovation - Resource to Capital switch	0	0	0	4,000	0	4,000	4,000
Sports Capital Loans Scheme - Welsh Rugby Union	0	0	0	0	18,000	18,000	18,000
<b>ECONOMY</b>	<b>102,364</b>	<b>0</b>	<b>102,364</b>	<b>29,290</b>	<b>(14,582)</b>	<b>14,708</b>	<b>117,072</b>
<b>RURAL AFFAIRS</b>							
<b>COVID-19 Allocations:</b>	<b>8,000</b>	<b>0</b>	<b>8,000</b>	<b>4,000</b>	<b>0</b>	<b>4,000</b>	<b>12,000</b>
Promoting Welsh Food and Industry Development - Recovery Plan - Business Development Proposals in Line with Food and Drink Wales	8,000	0	8,000	4,000	0	4,000	12,000
<b>Others:</b>	<b>60</b>	<b>(2,200)</b>	<b>(2,140)</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>(1,140)</b>
Common Agriculture Policy IT - Reduction in Non Cash requirement	0	(2,200)	(2,200)	0	0	0	(2,200)

Fisheries - Small Scale Coastal Infrastructure Scheme	0	0	0	1,000	0	1,000	1,000
TB Eradication - Recovery Plan - Vet Capacity and TB Testing Research Proposal	60	0	60	0	0	0	60
<b>RURAL AFFAIRS</b>	<b>8,060</b>	<b>(2,200)</b>	<b>5,860</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>10,860</b>
<b>SOCIAL JUSTICE</b>							
<b>COVID-19 Allocations:</b>	<b>15,970</b>	<b>0</b>	<b>15,970</b>	<b>588</b>	<b>0</b>	<b>588</b>	<b>16,558</b>
Financial Inclusion - Household Support Fund - Credit Unions - Promoting Affordable Credit	60	0	60	0	0	0	60
Financial Inclusion - Discretionary Assistance Fund	4,200	0	4,200	0	0	0	4,200
Supporting Communities - Household Support Fund - Food Poverty & Food Security	570	0	570	588	0	588	1,158
International Development - Covid Support in Namibia and Uganda	1,500	0	1,500	0	0	0	1,500
Violence against Women, Domestic Abuse and Sexual Violence - Increased Demand	1,000	0	1,000	0	0	0	1,000
Equality, Inclusion and Human Rights - Activities to support disabled people beyond COVID recovery	880	0	880	0	0	0	880
Equality, Inclusion and Human Rights - Household Support Fund - Roma Community Project	10	0	10	0	0	0	10
Equality, Inclusion and Human Rights - Household Support Fund - Public Transport assistance schemes for asylum seekers	250	0	250	0	0	0	250
Advice Services - Advice Services - Income Maximisation Initiatives	1,500	0	1,500	0	0	0	1,500
Support for the Voluntary Sector and Volunteering - Support for the recovery of the Voluntary Sector in Wales (Third Sector)	3,000	0	3,000	0	0	0	3,000
Support for the Voluntary Sector and Volunteering - Third Sector Support	3,000	0	3,000	0	0	0	3,000

<b>Others:</b>	<b>1,268</b>	<b>0</b>	<b>1,268</b>	<b>1,072</b>	<b>1,504</b>	<b>2,576</b>	<b>3,844</b>
International Development - Resource to Capital switch with General Administration Expenditure	(592)	0	(592)	592	0	592	0
Community Support and Safety - Funding for 100 Police Community Support Officers	1,860	0	1,860	0	0	0	1,860
Financial Inclusion – Funding earmarked for loans to credit unions for crisis situations, but no applications were received	0	0	0		(1,496)	(1,496)	(1,496)
Community Facilities Programme - Community Asset Fund	0	0	0	0	3,000	3,000	3,000
Female Offending and Youth Justice Blueprints - Hillside, Secure Children's Home	0	0	0	480	0	480	480
<b>SOCIAL JUSTICE</b>	<b>17,238</b>	<b>0</b>	<b>17,238</b>	<b>1,660</b>	<b>1,504</b>	<b>3,164</b>	<b>20,402</b>
<b>CENTRAL SERVICES &amp; ADMINISTRATION</b>							
<b>COVID-19 Allocations:</b>	<b>1,130</b>	<b>0</b>	<b>1,130</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,130</b>
Investigations - Preparatory work on the Covid Inquiry costs	1,130	0	1,130	0	0	0	1,130
<b>Others:</b>	<b>29,292</b>	<b>0</b>	<b>29,292</b>	<b>(592)</b>	<b>0</b>	<b>(592)</b>	<b>28,700</b>
Staff Costs - WG Staff Costs	15,100	0	15,100	0	0	0	15,100
Constitutional Commission - Establishment of a Commission on the Constitutional Future of Wales	400	0	400	0	0	0	400
Elections - Senedd Election costs	9,500	0	9,500	0	0	0	9,500
Cyber Resilience - Transfer from the Security and Intelligence Agencies	3,700	0	3,700	0	0	0	3,700
General Administration Expenditure - Capital to resource switch with International Development	592	0	592	(592)	0	(592)	0
<b>CENTRAL SERVICES &amp; ADMINISTRATION</b>	<b>30,422</b>	<b>0</b>	<b>30,422</b>	<b>(592)</b>	<b>0</b>	<b>(592)</b>	<b>29,830</b>

<b>OTHER CHANGES AFFECTING RESERVES</b>							
Senedd Commission	(1,700)	0	(1,700)	0	0	0	(1,700)
Public Services Ombudsman for Wales	155	2	157	21	0	21	178
Wales Audit Office	1,480	0	1,480	0	0	0	1,480
Movement in Direct Charges	(28)	0	(28)	0	0	0	(28)
<b>OTHER CHANGES AFFECTING RESERVES</b>	<b>(93)</b>	<b>2</b>	<b>(91)</b>	<b>21</b>	<b>0</b>	<b>21</b>	<b>(70)</b>
<b>Reserves in this Budget</b>	<b>22</b>	<b>536,605</b>	<b>536,627</b>	<b>0</b>	<b>158,614</b>	<b>158,614</b>	<b>695,241</b>

## 7. Annually Managed Expenditure (AME) Budgets

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- 7.1** AME budgets detailed in the 2nd Supplementary Budget reflect the last forecasts provided to HM Treasury.
- 7.2** The following adjustments have been made since the 1st Supplementary Budget was approved:
- Health and Social Services:
    - An increase of £289,004k for impairments and provisions relating to the NHS in Wales;
  - Education and the Welsh Language:
    - A net increase of £66,828k to reflect the latest Student Loans forecasts, comprising:
      - An increase of £4,993k in resource and
      - An increase of £61,835k in capital.
  - Climate Change:
    - A net reduction of £84,867k comprising:
      - A decrease of £94,990k relating to the impairment of the roads network;
      - An increase of £8,123k reflecting the latest forecasts for Help to Buy fair value adjustments; and
      - An increase of £2,000k for Transport for Wales' provisions.
  - Economy
    - An increase of £13,000k relating to increased pension provisions for sponsored bodies; and
  - Social Justice:
    - A reduction of £969k in respect of the Fire Service pension provision.

Table 7.1 below sets out the current AME budgets.

**Table 7.1 – Changes to the Welsh Government MEG AME Allocations**

MAIN EXPENDITURE GROUPS (MEGs)	£000s					
	RESOURCE			CAPITAL		
	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022	2021-22 Supplementary Budget June 2021	Changes	2021-22 Supplementary Budget New Plans February 2022
Health and Social Services	148,403	289,004	437,407	0	0	0
Finance and Local Government	721,500	0	721,500	0	0	0
Education and the Welsh Language	-148,386	4,993	-143,393	968,961	61,835	1,030,796
Climate Change	96,592	-84,867	11,725	0	0	0
Economy	48,525	13,000	61,525	0	0	0
Rural Affairs	0	0	0	0	0	0
Social Justice	27,915	-969	26,946	0	0	0
Central Services and Administration	3,000	0	3,000	0	0	0
<b>Total Allocation to Welsh Government</b>	<b>897,549</b>	<b>221,161</b>	<b>1,118,710</b>	<b>968,961</b>	<b>61,835</b>	<b>1,030,796</b>

## **Annex 1 – Reconciliation between the Portfolio Budgets in the Action Tables and those the Budget Motion**

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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 2021-22 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.

2021-22 SUPPLEMENTARY BUDGET									
£000s									
	Health and Social Services	Finance and Local Government	Education and the Welsh Language	Climate Change	Economy	Rural Affairs	Social Justice	Central Services and Administration	TOTAL
Resource	10,014,918	5,044,538	2,449,017	1,243,028	568,167	347,350	121,976	339,695	<b>20,128,689</b>
Capital	521,727	349,404	346,635	1,526,854	138,506	19,606	23,547	12,597	<b>2,938,876</b>
Resource AME	437,407	721,500	-143,393	11,725	61,525	0	26,946	3,000	<b>1,118,710</b>
Capital AME	0	0	1,030,796	0	0	0	0	0	<b>1,030,796</b>
<b>TOTAL MANAGED EXPENDITURE</b>	<b>10,974,052</b>	<b>6,115,442</b>	<b>3,683,055</b>	<b>2,781,607</b>	<b>768,198</b>	<b>366,956</b>	<b>172,469</b>	<b>355,292</b>	<b>25,217,071</b>
<b>Reconciliation to Resources</b>									
Resource Consumption - Welsh Government Sponsored Bodies	-230	-200	-340	-64,600	-42,233		-4,678		<b>-112,281</b>
Supported Borrowing		-88,800			1,250				<b>-87,550</b>
National Insurance Fund Receipts Collection Costs	-906								<b>-906</b>
National Non-Domestic Rates Payable (and Collection Costs)		-726,672							<b>-726,672</b>
Interest Repayments on Borrowing		-2,419							<b>-2,419</b>
PFI				-9,510					<b>-9,510</b>
Direct Charges on the Welsh Consolidated Fund								-9,500	<b>-9,500</b>
<b>RESOURCES REQUESTED</b>	<b>10,972,916</b>	<b>5,297,351</b>	<b>3,682,715</b>	<b>2,707,497</b>	<b>727,215</b>	<b>366,956</b>	<b>167,791</b>	<b>345,792</b>	<b>24,268,233</b>

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## Annex 2 – Glossary

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<b>Action</b>	Within each Main Expenditure Group (MEG), budgets are allocated to a number of sub-programmes known as Actions.
<b>Ambits</b>	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.
<b>Annually Managed Expenditure (AME)</b>	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.
<b>Budget Motion</b>	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.
<b>Budget Expenditure Line (BEL)</b>	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: <a href="http://gov.wales/funding/budget/?lang=en">http://gov.wales/funding/budget/?lang=en</a>
<b>Capital</b>	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.
<b>Departmental Expenditure Limit (DEL)</b>	The multi-year budget limit for the Welsh Government set by the HM Treasury in Spending Reviews.
<b>Depreciation</b>	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.

<b>Direct Charges on the Welsh Consolidated Fund</b>	Expenditure which is legally required to be charged directly to the Welsh Consolidated Fund and therefore is not included within the ambits of the Welsh Government or any other body. Direct Charges include the remuneration of the Presiding Officer and Auditor General.
<b>Financial Transactions</b>	Financial transactions can only be used for loans and equity purposes. A proportion of the funding also has to be repaid to the UK Government.
<b>Fiscal Resource DEL (sometimes referred to as revenue)</b>	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.
<b>Main Expenditure Group (MEG)</b>	The Welsh Government DEL is divided into a number of Main Expenditure Groups. There are currently 8 MEGs: Health and Social Services; Finance and Local Government; Education and the Welsh Language; Climate Change; Economy; Rural Affairs; Social Justice and Central Services and Administration.
<b>Non-Fiscal Resource DEL (sometimes referred to as 'non cash')</b>	The Non-Fiscal Resource DEL budget scores the 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.
<b>Receipts</b>	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.
<b>Resource budgeting</b>	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.

<b>Spending Review</b>	HM Treasury periodically reviews expenditure for each UK Government Department and sets budgets for the forthcoming years. Budgets for the devolved governments 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.
<b>Total Managed Expenditure (TME)</b>	This is an HM Treasury control total which is made up of the total Departmental Expenditure Limit plus Annually Managed Expenditure.
<b>Welsh Consolidated Fund</b>	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.
<b>WGSB</b>	Welsh Government Sponsored Body. Examples include the Higher Education Funding Council for Wales and the Arts Council of Wales.