

Andrew Davies AM/AC

Y Gweinidog dros Gyllid a Chyflenwi Gwasanaethau
Cyhoeddus
Minister for Finance and Public Service Delivery



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Ein cyf / Our ref: SF/AD/00146/09

Angela Burns AM
Chair, Finance Committee
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Cardiff Bay
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3rd December 2009

RESPONSE TO FINANCE COMMITTEE REPORT FIN(3)-09-R11

As I indicated in the plenary debate on 17th November, I welcome both the Finance Committee's report on the Assembly Government's Draft Budget for 2010-11, and the detailed scrutiny of the Assembly Government's budget proposals by the Finance Committee and other Assembly Committees.

Although many of the issues identified in the Finance Committee report were covered in the plenary debate; I attach, at Annex A, a note addressing the recommendations in the Committee's report. In relation to the representations and recommendations made by other Assembly Committees, my Cabinet colleagues will provide further information as necessary. If the Committees feel that their recommendations have not been picked up, may I suggest that the Chairs write to you in the first instance, copied to me. I will then arrange for a further response, picking up any outstanding issues.

I would also like to take this opportunity to thank you for the constructive comments made in support of the draft budget in the Finance Committee's report and in the debate, and for your recognition of the 'massive strides forward' we have made in its presentation. I hope that we can build on this progress next year.

Y Jones
Andrew

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RECOMMENDATIONS

Paragraph 16

The Finance Committee finds it difficult to understand how the same expenditure patterns will deliver the same One Wales objectives in these changed economic circumstances.

Strategic budgets were set in 2007 to reflect the *One Wales* agenda. Although the budget settlement for 2010-11 is lower than the indicative levels arising from the 2007 UK Spending Review, we have been preparing for tighter budgets, and have been working to identify more efficient and effective ways of achieving our outcomes. Through taking the tough decisions necessary, the 2010-11 Draft Budget allows us to take forward the *One Wales* agenda and create the opportunity to allocate funding strategically. In doing so, we have been able to prioritise new allocations to continue to deliver the *One Wales* agenda - in particular our social partnership approach to help people, communities and businesses through the global economic downturn, and to protect public services that make a real difference to people's lives. For example, allocations included £20 million to support tackling youth unemployment and £4 million to undertake additional research and development work in collaboration with business. This approach builds on our flexible use of reserves in-year – for example in 2009-10 an additional £27 million has been provided to support further education and training, including apprenticeships, ProAct and Skillbuild.

Paragraph 17

The Finance Committee would have liked to have seen a positive rationale for the current allocations rather than a continuation of the same formulae as that does not convey the agility needed to respond to the current economic situation. Where there have been any changes the Finance Committee would like to have seen evidence of the work undertaken by the Government to ensure that the multiplier effects of its different programme spends was maximised.

The Assembly Government is clear that there is a positive rationale for the allocations in the Draft Budget. We have made strategic decisions as a Government in order to address the challenges facing Wales in the current economic downturn. We took a strategic decision that it is right that all Departments contribute to the efficiencies and savings necessary for the Assembly Government to continue to deliver within tightening budgets; to do otherwise would have sent the wrong messages given the challenges that lie ahead. As set out above, through taking the difficult choices necessary to find these savings, we have also been able to create the opportunity to allocate new revenue funding strategically from reserves.

Care needs to be taken in considering possible multiplier effects, although we have included the effects where we consider it appropriate to do so. For example, I wrote to you on 27 October 2009 on the expected economic benefits of projects supported by the bringing forward of capital funding from 2010-11 into 2009-10. Multiplier effects were used in this instance to estimate the number of jobs safeguarded or created by the bringing forward of capital funding. Furthermore, multiplier effects are used in the Strategic Capital Investment Framework (SCIF) scrutiny process to help assess the expected economic impact.

Paragraph 19

In the time available the Finance Committee has not been able to examine this fully and plans to make this the subject of an urgent Committee inquiry.

We note the Committee's intentions, and would be happy to assist the Finance Committee in any further consideration of the levels of revenue funding for schools, colleges and higher education in the coming year. As I have previously made clear, the widely circulated 5% figure for Further Education and Higher Education is not analogous to the cross-portfolio 1.6% efficiencies and savings.

We acknowledge that, at a time when the opportunities for young people in the labour market are less than they once were, many more young people will want to stay on in education and training to develop their skills. The efficiencies referred to for FE and HE are about delivering more from existing budgets – not reductions to budgets.

Paragraph 21

The Finance Committee asks the Government for a clear statement of expenditure on economic development. The Committee would also welcome a clear understanding of how the Government itself monitors the performance of the economy in light of such a diverse range of programmes

A key Assembly Government priority in the current tough economic situation is to continue to stimulate the Welsh economy, and we have been consistently clear about the range of counter-recessionary measures we have put in place.

The overall priorities which set the direction and objectives for the Department for Economy and Transport are set out in the *One Wales* agreement. The Department's effectiveness and progress against the commitments contained within the agreement is reviewed on a regular basis, with progress being formally reported within the Assembly Government's *One Wales* Delivery Plan each quarter. The Delivery Plan and the latest progress report are publicly available on the Assembly Government's internet site.

If the Committee requires more detail I am sure this can be supplied by the Department.

Paragraph 25

The Finance Committee did not examine these in detail, but considers that an outcome agreement should be in place before any special grant is transferred into Revenue Support Grant.

As I have said previously, to secure the new and enhanced relationship with local government the Minister for Social Justice and Local Government is negotiating an Outcome Agreement with each Council, reflecting priorities for delivery and measures of performance. It is intended to have a framework in place for negotiating and finalising these agreements before the start of the 2010-11 financial year.

Paragraph 26

The Finance Committee urges the Government to align the timetables for these different elements and is grateful to the Finance Minister for agreeing to take the point back to the Minister for Social Justice and Local Government.

The Minister for Social Justice and Local Government is considering the potential for making funding information available on specific grants earlier in the budget process. Furthermore, a copy of the letter recently provided by the Minister for Social Justice and Local Government to the leader of the WLGA on information available on local authority specific grants for 2010-11 is attached at Annex B.

Paragraph 30

The Finance Committee acknowledges the various factors pertaining to the reorganisation of the Health Service and would welcome a note from the Minister for Health and Social Services setting out the financial arguments, and anticipated savings that the Minister expects the reorganisation to deliver.

The Minister for Health and Social Services addressed this issue in her letter to the Finance Committee of 6th November 2009.

Paragraph 31

The Finance Committee acknowledges that this will provide a much needed boost to the economy but needs assurance about the availability of the capacity within the building industry that will be required to deliver it.

The decision to bring forward capital from 2010-11 into earlier years was taken to utilise surplus capacity in the construction industry, which has been particularly adversely affected by the economic downturn. This has been evidenced by recent independent research commissioned by UK Contractors Group in partnership with the CBI, which has shown that the construction industry has been the hardest hit in the UK in respect of redundancy rates since the start of the current recession. That the capital projects funded from brought forward capital are on track is further evidence that there is the capacity within the Welsh construction industry.

A copy of the letter I recently provided to the Chair of the Finance Committee on the economic benefits of brought forward capital is attached at Annex C.

Paragraph 38

The Finance Committee intends to consider the Strategic Capital Investment Framework in more depth in the near future. The Finance Committee also asks the Minister for Finance and Public Service Delivery to note that all Ministers might find it useful to be aware of the success of their capital bids prior to the budget so they are able to incorporate those sums, and the revenue to support them, within their budget forecasts. It will also ensure that Committees are enabled to conduct a more thorough scrutiny.

I note the Committee's intentions, and would be happy to assist as appropriate. The approach for the Strategic Capital Investment Framework Tranche 2 was strengthened to allow for significant engagement with external partners on the development of potential projects, working closely within the Spatial Plan context and with the Spatial Plan Teams.. This meant that the Tranche was not concluded before the publication of the draft budget. We will look again at the timing for future years. However, in any case SCIF funding is transferred formally from capital reserves through an in-year Supplementary Budget. This has the advantage of enabling the Assembly Government to both scrutinise and reflect the progress of individual projects in formalising the in-year allocations.

Paragraph 44

The Finance Committee reiterates the call in its report on the budget for 2009-10 [paragraph 35] that, when presenting its budget proposals each year, the Welsh Assembly Government should include reports on efficiency savings that have been delivered and a breakdown of achievement by NHS, local government and other public sector organisations.

I will write to the Committee giving details of the areas where significant efficiency savings have been identified and summarising the progress being reported by the devolved public sector in Wales.

Paragraph 45

The Finance Committee notes the robust and comprehensive rebuttal the Minister for Finance and Public Services Delivery delivered on the Auditor General's view.¹ Additionally the Finance Committee would be interested to understand the evidence behind the Auditor General's assertion however the Finance Committee is not in a position to come to a view at present. It notes that it is too early to judge whether the savings of £600m have been achieved. It looks forward to receiving the evidence in support of both sets of conclusions from the Minister for Finance and Public Services Delivery and the Auditor General.

I will include details in the letter to the Committee referred to in the response to the recommendation in paragraph 44.

Paragraph 49

The Finance Committee urges all Ministers to take an overarching strategic view for cross-portfolio issues such as these.

On the occasions information on cross-cutting issues has been requested, I have provided a timely response. For example, I wrote to the Chair of the Equality of Opportunity Committee setting out how consideration has been given to impacts on different groups of people in Draft Budget 2010-11.

I am always happy to consider further improvements to the scrutiny process, and will continue to discuss the issue with Ministers with cross-cutting responsibilities.

Paragraph 58

The Finance Committee asks the Government to note that, while it welcomes the efforts to develop a clearer system of presenting the Government's budget, it is important that the Assembly is still able to scrutinise year on year changes as we move to the new system.

The draft budget documents included a specific explanatory note that provided a reconciliation at SPA level, showing a meaningful account of how the budget has been restructured, and also presented 2009-10 and 2010-11 figures on a consistent basis to enable scrutiny across the two years.

We are happy to explore ways of further developing the document to improve transparency and further assist in future scrutiny of the budget further.

Paragraph 59

The Finance Committee asks the Minister for Finance and Public Service Delivery to have discussions with Cabinet colleagues to agree a Government-wide approach to complying with requests for information from scrutiny committees during the budget round, and the level of information to be provided. The aim should be to ensure that scrutiny committees have a sufficient level of information and time to analyse performance within individual Ministerial policy areas.

The Assembly Government agreed to provide an extra week for scrutiny processes this year, and also brought forward the tabling of the Draft Budget by a day. Departments have also made additional information available voluntarily. However, we are always willing to further consider improvements, and will discuss this with Cabinet colleagues.

Paragraph 61

The Finance Committee requests that the Minister keeps us informed of developments on this important project.

I would be happy to continue to keep the Finance Committee informed of developments on this provision in the Constitutional Reform and Governance Bill.

Paragraph 67

The Finance Committee, whilst appreciating the massive strides forward in budget presentation and subsequent scrutiny will be seeking further discussion with the Government and requesting finalisation of its draft budget before the beginning of October as the Finance Committee is keen to ensure that proper scrutiny is enabled in order to ensure transparency and openness in the democratic process.

We welcome the Finance Committee's acknowledgement of the massive strides forward we have made in budget presentation. We will consider this request, but it would not be straight forward to accelerate the timetable for the Draft Budget, given the detailed work that underpins it.

Paragraph 69

The Finance Committee would like to receive greater detail on the additional funds available to the Government and which have been deployed in enhancing and strengthening the funds available within the Economy & Transport portfolio.

The main sources of additional funds for projects and programmes related to economic development and transport are the EU Structural Funds. Overall, funding has already been secured from the 2007-2013 programmes to support 134 projects that help over 30,000 businesses and provide over 380,000 employment and training opportunities for individuals. To date, this represents a total investment of over £2 billion, with an EU funds contribution of over £1 billion (51% of EU funds) with the remainder being match funding from the Assembly Government or other project sponsors. Over £615 million (30%) of total resources committed are to support businesses and a further £985 million (47%) of total resources committed provide employment and training opportunities for individuals.

Within the above figures there are 29 Economy and Transport projects receiving EU funds of around £212 million. Cumulatively, these projects provide investment of over £454 million to support businesses, research and development, transport and communities. In

addition, the £150 million JEREMIE fund (supported by £60 million ERDF funding) together with the EU backed £54 million local authority led Local Investment Fund, will support 5,000 Welsh businesses.

Paragraph 70

The Finance Committee would also have liked to see a positive rationale for the allocations and evidence that the multiplier effects of its different programmes was maximised.

I refer you to my response to the recommendation in paragraph 17 on the use of multipliers.

Brian Gibbons AC/AM
Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth
Leol
Minister for Social Justice and Local Government



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref MB/EB2
Ein cyf/Our ref BG/00373/09

Cllr John Davies
WLGA
Local Government House
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1 December 2009

Dear John,

Please find attached a table detailing the information available on local authority specific grants for 2010-11.

Please note that the table reflects the latest best estimates available. It is being provided now, following publication of the Assembly Government's final budget, in order that local authorities have the information that they need to set their budgets for next year. The final local government settlement which is scheduled to be published on 8 December will contain details of individual authority allocations, where available. While every effort is made to provide accurate figures, formal notification of specific grants remains a matter for the relevant portfolio Minister.

While the list is comprehensive, we are not able at this stage to include details of all grants, in particular the allocations for the post 16 education grants are still being prepared as the deadline for receiving the required information necessary for compiling the allocations has only recently passed.

I am copying this letter and attachment to Local Authority Leaders, Chief Executives and Chief Financial Officers and to the Chair of the Assembly Finance Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brian Gibbons'.

Brian Gibbons AM/AC

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LOCAL GOVERNMENT SETTLEMENT 2010-11
SPECIFIC GRANTS – position at 1 December 2009

	£million 2010-11
Children, Education, Lifelong Learning and Skills	
Appetite for Life	2.400
Assistance to teaching Heads in small schools and support for joint working between small schools ³	0.000
Better Schools Fund	15.164
Community Focused Schools Grant	4.400
Community Learning ⁴	
Cymorth - the Children and Youth Support Fund	44.721
Energy Costs Grant ¹	0.000
Family Literacy, Language and Numeracy LEA Grants ²	1.673
Flying Start Revenue grant	38.044
Foundation Phase	76.000
Funding for Youth Work Training in Wales	0.474
Language and Play LEA Grants ²	1.350
Learning Pathways 14-19	17.803
Mergers and collaboration budget	3.750
Minority Ethnic Achievement Grant ²	9.600
Post-16 Provision in Schools ⁴	
Post-16 Special Schools and Out of County Provision ⁴	
Primary School Free Breakfast Initiative ²	10.000
Quality Standard LEA Grant ²	0.626
RAISE ³	0.000
RAISE: Grant to Support the Education of Looked After Children	1.000
Read a Million Words LEA Grant ²	0.163
Read A Million Words Library Grants ²	0.136
School-based counselling services	4.228
School Uniform Financial Assistance Scheme	0.770
Schools Special Grant ¹	0.000
Small and Rural Schools grant	1.600
Strategic Intervention LEA Grants	2.572
Teacher Training & CPD Grant	1.200
The Grant for the Education of Travellers ²	0.900
Welsh Medium Bilingual Grant	1.600
	240.174
Environment, Sustainability and Housing	
Additional Resources for Local Planning Authorities	1.540
Social Housing Management Grant ²	2.100
Supporting People	77.176
Tidy Towns	3.000
Waste Grant	73.000
	156.816
Economy and Transport	
Bus Revenue Support	0.494
CBDC Cardiff Bay Regeneration Grants	9.500
Concessionary Fares Reimbursement Grant ⁵	56.184
Local Transport Services Grant	10.858
	77.036
Health and Social Services	
Autistic Spectrum Disorder (ASD) Implementation Grant ⁴	
Child Trust Fund Reimbursement Grant ²	0.109
Fairer Charging Specific Grant Scheme ¹	0.000
Implementation of the Strategy for Older People	1.000
Integrated Family Support Team	1.800

Joint Working Special Grant	10.000
Learning Disability Strategy (Resettlement)	32.600
Local Authority Funding to Implement the Mental Health Act 2007	0.266
Mental Capacity Act 2005 Deprivation of Liberty Safeguards Funding	0.484
Mental Health Carers Grant Scheme ¹	0.000
Promoting Independence & Wellbeing Grant	4.400
Short Breaks for Disabled Children & their Families Grant ¹	0.000
Well Being Activity Grant	0.550
Welsh Network of Healthy School Schemes	1.683
	52.892
Heritage	
Cymal Grant Scheme ²	1.305
	1.305
Social Justice and Local Government	
Community Purposes	2.520
PFI	34.219
	36.739
Office of the Chief Veterinary Officer	
Companion Animal Welfare Enhancement Scheme	0.708
	0.708
Public Services and Performance	
LSB Development Support Grant ³	0.000
Performance Management Development Fund	6.017
Social Care Workforce Development Programme	8.863
	14.880
Total	580.549

Notes

¹ Transfers to RSG in 2010-11

² Demand led or bid based

³ Grant ended in 2009-10

⁴ Awaiting estimates

⁵ Demand led (capital element not included)

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Ein cyf / Our ref: DC/AD/05115/09

Angela Burns AM
National Assembly for Wales
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27 October 2009

Dear Angela,

Finance committee - Supplementary Budget 2009-10

When finance officials attended Finance Committee on 24 September in relation to Supplementary Budget 2009-10, further information was requested on projects supported by the bringing forward of capital funding of around £100 million from 2010-11 into 2009-10, and the expected economic benefits.

It is difficult to be precise in predicting employments impacts of brought forward capital expenditure. However, using established UK Government methodology the number of jobs created in 2009-10 is estimated to be in the range of 1,609 to 2,253, with a central estimate of around 1,931. Care needs to be taken in interpreting these figures, but on this basis our decision to bring forward capital projects has helped to create or safeguard of the order of 2,000 jobs in this financial year.

The specific projects and expected economic benefits for individual portfolios are outlined in the attached note. The note also includes an Annex on methodology used.

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Further information was also requested by the Committee on the initial capital budget for Learning Works at Ebbw Vale for 2009-10 prior to the allocation of £4.5m of brought forward capital. The capital Learning Works at Ebbw Vale (this includes FE, School, SEN and a Leisure Centre) were originally planned to begin in 2010-11; therefore no prior budget was in place for 2009-10. The £4.5m was brought forward from the 2010-11 budget of £48.902m for the Learning Works.

Y
Jones

Andrew

Brought Forward Capital – Projects and Economic benefits

The bringing forward of capital projects of around £100 million into 2009/10 from 2010/11 has supported the construction industry and the wider economy by stimulating building and development, thereby maintaining jobs.

It is difficult to be precise in predicting the employment impact of brought forward capital expenditure and a range of figures are possible using established UK Government methodology. However, the number of jobs created in 2009/10 is estimated to be in the range of 1,609 to 2,253, with a central estimate of around 1,931. Direct jobs have been calculated using 'labour coefficients' which estimate the number of jobs sustained for different types of projects and also taking account of multiplier effects. A detailed note on methodology is attached at Annex 1.

The specific projects and expected economic benefits for individual portfolios are as follows:

Housing

Programme	Brought Forward Capital Allocation £000s
Main Social Housing Grant Programme	15,100
Physical Adaptation Grant	3,400
Mortgage Rescue	9,500
Total	28,000

The brought forward capital funding for Environment, Sustainability and Housing has enabled programmes to be accelerated to meet the One Wales target of providing 6,500 affordable homes. The £28 million brought forward capital funding for 2009-10 has been used to supplement Main Social Housing Grant Programme (£15.1m), providing up to 300 affordable homes; and the Physical Adaptations Grants (£3.4m) providing up to 500 adaptations for tenants with disabilities.

In total, it is estimated that between 535-749 jobs in 2009-10 have been created and safeguarded by the bringing forward of £18.5 million on these projects. Furthermore, the additional £9.5 million brought forward funding has supported the Mortgage Rescue Scheme, assisting up to 150 families.

Children, Education, Lifelong Learning and Skills

Programme	Brought Forward Capital Allocation £000s
Schools budget	14,000
Further Education budget	6,000
Higher Education budget	5,000
Total	25,000

In total, it is estimated that between 353-494 jobs in 2009-10 have been created and safeguarded by the bringing forward of £25 million on these projects.

Economy and Transport

Programme	Brought Forward Capital Allocation £000s
Maintenance schemes: motorway & trunk Road network	3,000
M4 Safety Improvements	1,500
Early release of retention monies on construction contracts	2,000
Upgrading the local highway at Pembroke Dock	2,500
North Wales Coast Regeneration	2,000
Infrastructure works – Felindre	2,600
Site Access-Infrastructure – Warren Hall	2,000
Acquisition-Site Servicing – Offa's Dyke BP	600
Infrastructure – Parc Eirin	500
Total	16,700

In total, it is estimated that between 309-433 jobs in 2009-10 have been created and safeguarded by the bringing forward of £16.7 million on these projects.

Health and Social Services

Programme	Brought Forward Capital Allocation £000s
Ysbyty Glan Clwyd Theatre Development	6,000
Welsh Ambulance Service Electronic Patient Record	2,200
Health Vision Swansea	7,000
Cardiff & Vale Mental Health Services	10,000
Ysbyty Gwynedd Electrical Infrastructure	4,000
Total	29,200

In total, it is estimated that between 412-577 jobs in 2009-10 have been created and safeguarded by the bringing forward of £29.2 million on these projects.

Labour coefficients (workers per £1m output per year at 2009 prices)

Department	Brought forward capital allocation £000s	Labour coefficient ¹	Labour coefficient definition ²	All occupations (no. of new jobs created)	All occupations-Multiplier 1.5 (1.25 – 1.75) ³
DESH - Physical Adaptation Grant	3,400	32.6	Housing repair and maintenance	111	642
DESH - Main Social Housing Grant Programme	15,100	21.0	New housing	317	(535-749)
CELLS	25,000	11.3	Public non-housing, includes Schools, Universities, Health	283	424 (353-494)
E&T	16,700	14.8	Infrastructure, includes roads, railways, gas and air	247	371 (309-433)
HSS	29,200	11.3	Public non-housing, includes Schools, Universities, Health	330	495 (412-577)
Total	89,400⁴			1,288	1,931 (1,609-2,253)

¹ Based on UK Government estimates of the employment impacts for planned capital expenditure.

² Categories used in UK Government guidance note on estimating the employment impacts for planned capital expenditure.

³ See Annex 1 for multiplier methodology.

⁴ This is less than the total £98,900 brought forward capital for 2009/10 as it includes £9.5m brought forward for the Mortgage Rescue Scheme.

Annex 1

Employment Impacts for Construction Projects in Wales

1. HM Treasury (HMT) has provided guidance on counting the number of people directly employed in delivering different types of construction investment. Direct jobs can be calculated by using labour coefficients updated by Department for Communities and Local Government (CLG) and originally estimated by the Sector Skills Council for Construction.
2. The recommended labour coefficients express the number of workers required over one year to deliver £1m of construction output. For example, as the table below shows, it is estimated that £1m of annual new housing output would require 21 full-time equivalent jobs for one year.
3. The labour coefficients were calculated through analysis of output and employment in different construction sectors over a 10 year period. The coefficients cannot be used to provide the net employment resulting from a construction project. Only the direct employment impact is captured by the coefficients.
4. To calculate the net employment effect other aspects have to be taken into account. First, indirect and induced jobs need to be added to direct employment. This is the multiplier effect. Also, deadweight (employment that would have occurred anyway), displacement (the extent to which an increase in employment is offset by a reduction elsewhere) and substitution effects. These latter effects are generally negative.
5. In regard to capital investment projects in Wales, the Chief Economist has advised that, particularly in current untypical economic circumstances, it is not practical to assess such effects on the basis of economic modelling. It is, however, appropriate to make an adjustment based on broad assumptions. It should be understood that this adjustment is intended to reflect the likely order of magnitude of a range of effects, rather than a precise estimate. For this reason, it is important to present results as a range, rather than a point estimate.
6. In respect of the multiplier effects, there are no available studies which provides results specific to the relevant categories of spending in Wales. However, a review of multipliers typically employed in regional economic impact studies would suggest that the application of a multiplier in the range 1.25 - 1.75, with a central estimate of 1.5 would be reasonable based on the analysis of economic input-output tables. (It should be noted that up-to-date tables are not available for Wales, and tables produced in the past have been based upon incomplete information. The range quoted, however, remains robust).
7. In respect of deadweight, the large amount of spare capacity in the economy, particularly, in the construction sector, justifies an assumption that all the expenditure is additional. Equally, recessionary conditions suggest displacement and substitution effects are likely to be negligible. The table below lists the CLG labour coefficients and a likely range of net employment impacts based on the multiplier range mentioned above.

Workers Per £1m Output Per Year at 2009 Prices

	New Hous.	Infrastr ucture	Public Non Hous.	Private Indus.	Private Comm.	Housing Repair & Maint.	Non Hous. Repair & Maint.
Direct Employment	21.0	14.8	11.3	10.6	17.6	32.6	31.4
Range of Net employment effects							
Lower point of range (multiplier = 1.25)	26.3	18.5	14.1	13.3	22.0	40.8	39.3
Mid point of range (multiplier = 1.5)	31.5	22.2	17.0	15.9	26.4	48.9	47.1
Upper point of range (multiplier = 1.75)	36.8	25.9	19.8	18.6	30.8	57.1	55.0

Source: HMT, CLG EcAd Calculations