

**NATIONAL ASSEMBLY FOR WALES**  
**REPORT FROM THE FINANCE COMMITTEE**

**GEN-LD7410 - Supplementary Budget Motion 2008-09 (3 March 2009)**

**Background:**

1. Standing Order 27 states:
  - 27.23 *A supplementary budget motion tabled under Standing Order 27.21 may not be moved until either:*
    - (i) *the Finance Committee has reported on the motion; or*
    - (ii) *if the Finance Committee has not reported on the motion, three weeks have elapsed after it has been tabled.*
  - 27.24 *The Finance Committee's report may recommend changes to the amounts proposed in the supplementary budget motion provided that the net effect of those variations would not increase or decrease the aggregate amounts of resources or cash proposed in the supplementary budget motion.*
2. The Welsh Assembly Government laid this Supplementary Budget Motion on Tuesday 3 March 2009. The deadline for the Finance Committee reporting on it is therefore Tuesday 24 March 2009.
3. The Minister for Finance and Public Service Delivery wrote to the Committee on 19 February to notify it of his intended timetable for the Supplementary Budget Motion 2008-09. In his letter, the Minister also informed the Committee that he was 'keen to ensure that the advances we have made in improving the presentation of the Draft and Final Budget are continued' and that an Explanatory Note would be provided with the Supplementary Budget Motion 2008-09 to that end. The Committee is grateful to the Minister for his continued efforts to enhance the presentation and transparency of the budget process.
4. The Government's Finance Director, Dr Christine Daws, gave evidence at the Finance Committee meeting held on 11 March, along with the Government's Head of Financial Planning, Piers Bisson.

**Need for the latest supplementary budget motion**

5. The Supplementary Budget Motion 2008-09 amends the Final Budget 2008-09, approved by the Assembly on 22 January 2008. The motion fulfils several administrative roles, reflecting internal re-prioritisation and transfers between budgets.

6. The Supplementary Budget also provides for an £84m transfer from the reserves to the Health and Social Services portfolio to progress the waiting times commitment. This transfer is in line with those made in previous years.
7. The Committee was initially concerned that the Supplementary Budget included a £70 million increase in resources while the actual cash amount to be drawn from the Welsh Consolidated Fund in 2008-09 was to decrease by £90 million. Officials told the Committee that the latter arose because an additional £90m had been received in receipts from the National Insurance Fund and that such receipts would be set against the total amount available in the Consolidated Fund. They confirmed that there had been no reduction to overall cash spending plans
8. The Supplementary Budget details the drawdown of £69 million in capital end year flexibility (EYF). Officials confirmed that the amount of EYF available to carry over from the financial year 2007-08 remained to be agreed with HM Treasury and that notification will be sent to the Committee when this is finalised. Officials also agreed to provide the Committee with a breakdown of EYF available for use by the Welsh Assembly Government.
9. The UK Government's Pre Budget Report <sup>1</sup> provided the Welsh Assembly Government with the opportunity to bring forward up to £140 million capital expenditure from the financial year 2010-11. The Minister for Finance and public Service Delivery has previously stated that this was primarily to be drawn into the financial year 2009-10, but also to a limited extent 2008-09.<sup>2</sup>
10. The Supplementary Budget 2008-09 allocates £28 million of this capital brought forward from 2010-11. Officials confirmed that it is intended that the remaining £118 million available to be brought forward will be utilised in 2009-10, and that this would be actioned by way of a supplementary budget for that financial year.

## Conclusions

11. The Finance Committee notes the changes proposed in the Supplementary Budget motion and the Government's explanations of the reasons for them. It does not recommend any changes to the amounts proposed in the Supplementary Budget Motion.

**Angela Burns, AM**  
**Chair, Finance Committee**

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<sup>1</sup> [HM Treasury, Pre Budget Report 2008 \(12 March 2008\)](#)

<sup>2</sup> [Welsh Assembly Government, Minister for Finance and Public Service Delivery \(Andrew Davies\), Final Budget 2009-10, Cabinet \(Written\) Statement, 2 December 2008.](#)