

NATIONAL ASSEMBLY FOR WALES

Statement of Expenditure 2004-2005

EXPLANATORY NOTES

In accordance with Section 86 (2) of the Government of Wales Act, this statement reconciles the amount of cash voted to the Secretary of State for Wales by Parliament for the grant to the Assembly with the published Assembly's Budget.

There are a number of elements that make up the difference between the two amounts and these are set out in the table. The explanation for the difference between the two amounts is that Parliament votes the amount of **actual** cash required by the Assembly to carry out its functions. The Assembly's total budget includes the provision for items such as local authority credit approvals that do not involve actual cash payments. Furthermore, certain receipts are received directly by the Assembly and reduce the amount of cash required from the Consolidated Fund.

Line 1. Total Welsh Budget for 2004-2005 (as ratified by the Assembly on 24 March 2004). This budget is made up of four main components:-

- i. Expenditure by the Secretary of State for Wales' Office which is not part of the National Assembly Departmental Expenditure Limit or Annually Managed Expenditure provision.
- ii. Departmental Expenditure Limit for the National Assembly – total provision for budgets classified by HM Treasury as being within Departmental Expenditure Limits.
- iii. Annually Managed Expenditure - Provision for Housing Revenue Account Subsidy, Common Agricultural Policy payments and the roads network capital charges. This expenditure is ring-fenced to the items to which it is allocated. The allocations are set by Treasury according to the latest forecast of demand. The provision is reviewed at least once a year.

Line 2. There are items of expenditure within the Assembly's Budget, which do not result in payments of actual cash. Expenditure on each of these items has been ratified as part of the Assembly's budget setting process. They are:-

- i. Unhypothecated Supported Borrowing i.e. permissions granted by the Assembly for local authorities to borrow money for capital purposes.

- ii. Hypothecated Credit Approvals (i.e. for specific purposes) granted by Assembly for local authorities to borrow money for capital purposes.
- iii. Repayments of National Loans Fund advances by the Welsh Development Agency.
- iv. A contribution to the costs of collection National Insurance Contributions in Wales.
- v. The costs of collecting non-domestic rates in Wales.
- vi. The value of capital charges, depreciation of assets and other smaller adjustments resulting from the change from cash accounting to an accruals based accounting and budgeting system.

Line 3. Total requirement for voted expenditure linked to the DEL and AME components of the Welsh Budget (total of line 1 less line 2). This total includes non-voted resource budgeting adjustments of £93k for the Office of the Secretary State for Wales

Line 4. Receipts, which are received directly by the National Assembly, which do not affect the National Assembly's budget, but do reduce the amount of cash that Parliament votes. The components are:-

- i. European Union funding element of Common Agricultural Policy provision received from the Rural Payments Agency.
- i. Receipts from National Insurance Fund contributions from employers and employees.
- iii. Funding received from the European Union for grant schemes.

Line 5. Latest total of Assembly expenditure that is voted on by Parliament in main supply estimates (total of line 3 less line 5).