

## Sue Essex AM

Minister for Finance, Local Government and Public Services  
Y Gweinidog dros Gyllid, Llywodraeth Leol a Gwasanaethau Cyhoeddus

Our ref:  
Your ref:

Chairs of the Subject Committees  
The National Assembly for Wales



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

Bae Caerdydd  
Caerdydd CF99 1NA  
Switsfwrdd: 029 2082 5111 GTN: 1208  
Ffacs: 029 2089 8131

Cardiff Bay  
Cardiff CF99 1NA  
Switchboard: 029 2082 5111 GTN: 1208  
Fax: 029 2089 8131

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Dear Colleagues

### 2004 BUDGET PLANNING ROUND

This letter sets out how I intend to deal with the Assembly's planning and budgeting process for 2005-06 onwards. In accordance with Standing Order 19.1 I request the views of Committees on the priorities for the Assembly's expenditure in 2005-06. Assembly Committees are requested to respond by 4 June at the latest.

The budget for 2005-06 is the first year of the Spending Review currently being conducted by the Assembly and the first year of the UK Government's spending review (SR2004). Our total budget for 2005-06 will not be known until SR2004 reports towards the end of July although I anticipate it will remain largely unchanged. The Assembly has already agreed indicative budgets for 2005-06, which were set out and approved in the March Supplementary on 24 March. Our total indicative budget for 2005-06 is £12.6billion – 7 per cent more than 2004-05.

In order to ensure that Committees' views are fully taken into account in the Assembly's Spending Review, I suggest that Committees consider how the priorities set out in "Wales: A Better Country" can be achieved most effectively and whether budgets should be adjusted in the light of changing circumstances and commitments. In doing this, you will want to consider all aspects of the Main Expenditure Group, including the Assembly Sponsored Public Bodies. As far as is possible your evaluations might usefully take account of their Corporate Plans.



BUDDSODDWRH MAWN POBL  
INVESTOR IN PEOPLE

The Assembly Government is aiming to achieve the sharpest possible focus of our budgets on achieving our vision set out in "Wales: A Better Country". Our strategic priorities are clear – to deliver budgets that achieve fairness and prosperity, social justice and sustainable development and a commitment to effective, efficient delivery. We need to get more people into jobs, and to improve learning, our skills and the quality of jobs. We need to tackle poverty at its sources. We need to work on the fundamentals of improving the health of people in Wales. And we need to support strong and safe communities across all parts of Wales.

In preparing my Draft Budget I will take account of the views you submit together with the outcomes of our Spending Review and SR2004, and my own consultations with Ministerial colleagues. I intend to bring forward the Draft Budget for the consideration of Assembly Members in October.

I am writing in similar terms to the Chairs of the other Committees.

Best wishes

Sue Essex