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Finance Committee

Meeting Venue: **Committee Room 1 – Senedd**

Meeting date: **Monday, 20 February 2012**

Meeting time: **13:00 – 14:10**

This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_200000_20_02_2012&t=0&l=en

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Concise Minutes:

Assembly Members:

Jocelyn Davies (Chair)
Peter Black
Christine Chapman
Paul Davies
Mike Hedges
Ann Jones
Julie Morgan
Ieuan Wyn Jones
Jane Hutt

Witnesses:

Jeff Andrews, Welsh Government
Jo Salway, Acting Deputy Director of Strategic Budgeting
Martin Sollis, Deputy Director of Finance

Committee Staff:

Tom Jackson (Clerk)
Daniel Collier (Deputy Clerk)
Martin Jennings (Researcher)
Eleanor Roy (Researcher)

1. Introductions, apologies and substitutions

1.1 The Chair welcomed Members and members of the public to the meeting.

2. Welsh Government Supplementary Budget 2011–2012 – Minister for Finance

2.1 The Chair welcomed Jane Hutt AM, Minister for Finance; Jo Salway, Head of Strategic Budgeting; Martin Sollis, Deputy Director of Finance; and Jeff Andrews, Specialist Policy Adviser.

2.2 Members scrutinised the Minister.

Action points:

The Welsh Government agreed to provide:

- A breakdown of how additional capital has been invested in the Central Services portfolio.
- A note highlighting the reconciliation of the Education and Skills MEG against the structure in the draft budget, reflecting the changes in the current supplementary budget.
- Clarification on whether the Wales Economic Growth Fund would be sourced from the Legacy Single Investment Fund and clarification of whether there was underspend in the Legacy Single Investment Fund.
- Further details on the Invest-to-Save fund, including clarification on which financial year the additional £10 Million of Invest-to-save funding (announced by the Minister in December 2011) would be allocated toward.
- A list of all award and repayment profiles made within the Invest-to-Save Fund.

3. Papers to note

3.1 The Committee noted the correspondence from the Minister for Local Government and Communities on the Public Service leadership group National Work Programmes.

3.2 The Committee ratified the Minutes of the meeting on 25 January 2012.

4. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

Items 5–7

5. Draft Budget Protocol with the Welsh Government

5.1 The Committee agreed part 1 of its budget protocol with the Welsh Government.

6. Prudential borrowing and innovative approaches to capital funding – Expert Adviser

6.1 The Committee agreed the appointment of an expert adviser for its inquiry into *Prudential borrowing and innovative approaches to capital funding*.

7. Discussion of Evidence – Welsh Government Supplementary Budget 2011–2012

7.1 The Committee discussed the evidence provided by the Welsh Government in relation to its Supplementary Budget 2011–2012.

TRANSCRIPT

[View the meeting Transcript](#)

Minute Item 2

Jane Hutt AC / AM
Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref: SF/JH/0733/12

Jocelyn Davies AM,
Chair, Finance Committee,
The National Assembly for Wales,
Cardiff Bay,
Cardiff
CF99 1NA

28 February 2012

Dear Jocelyn

Further to my letter of 22 February I am now in a position to provide you with the additional information as agreed at Finance Committee on 20 February regarding the Second Supplementary Budget 2011-12.

The Committee requested 'a note highlighting the reconciliation of the Education and Skills MEG against the structure in the draft budget, reflecting the changes in the current supplementary budget'.

The reconciliation requested is provided at Annex A. The reconciliation also provides details of the recurrent transfers within the MEG, including whether the implications for future years have been reflected in the Final Budget 2012-13.

The Committee also asked for 'further details on the Invest-to-Save fund, including clarification on which financial year the additional £10 million of Invest-to-Save funding (announced by the Minister in December 2011) would be allocated toward'.

The allocation of the £10.06 million by project and financial year is shown below:

	2011-12 £000s	2012-13 £000s	2013-14 £000s
Project			
Environmental Management		2,549	476
Blaenau Gwent - workplace		380	
Hywel Dda LHB – e-Rostering	69	186	
NHS Wales – Voluntary Early Release Scheme	4,600	1,800	
Totals	4,669	4,915	476

In addition, the Committee requested 'a list of all award and repayment profiles made within the Invest-to-Save Fund'.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence: Jane.Hutt@wales.gsi.gov.uk
Printed on 100% recycled paper

I attach a schedule at Annex B providing details of Invest-to-Save awards made to date shown by funding rounds and financial years, together with matching repayment details. I have previously published project details of all Invest-to-Save awards made prior to my December announcement in Investing-to-Save, which is available on the Welsh Government's website at:

<http://wales.gov.uk/topics/improvingservices/bettervfm/i2savefund/;jsessionid=QL1ZPHyfMIyy1CyG3TFttRhvgWGqGKxGrCSFTQFM7ZDVHzzHTY51!1586879804?lang=en>

During the meeting there was also discussion around the level of consequentials received by the Welsh Government in the Autumn Statement. As I said at the meeting, the total level of consequentials we have received over the next three financial years is £216 million capital and £21.5 million resource. The table below provides an annual breakdown of the consequentials received and accords with the statement made by the Secretary of State for Wales in the House of Commons debate on 18 January.

	2012-13 £000s	2013-14 £000s	2014-15 £000s	Total over 3 years £000s
Total Capital DEL	38,714	81,029	96,516	216,259
Total Resource DEL	26,252	-542	-4,208	21,502

Finally, in terms of your request for information on the Wales Economic Growth Fund and the Legacy Single Investment Fund, the Minister for Business, Enterprise, Technology and Science will write to you separately with details.

I hope you find this letter helpful.

Bert wishes,
Jane

Jane Hutt AC / AM

**Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House**

Edwina Hart MBE OStJ AC / AM
Y Gweinidog Busnes, Menter, Technoleg a Gwyddoniaeth
Minister for Business, Enterprise, Technology and Science



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MB/EH/0928/12

Jocelyn Davies AM
Chair of Finance Committee

Jocelyn.davies@wales.gov.uk

15th March 2012

Dear Jocelyn

At the Finance Committee on 20th February 2012 a question was raised regarding the Legacy Single Investment Fund as below:

"Why was the Legacy Single Investment Fund under spending and how was this being used to fund other initiatives"

I am responding as the matter rests within my portfolio. Briefly the take up of the grants that were awarded under the Legacy Single Investment Fund have been lower than anticipated primarily due to economic conditions which have changed significantly during recent years.

As underspends are identified, the funding is reallocated to other sector priorities based on recommendations from the sector panels and the emerging needs of businesses in Wales in response to the economic climate.

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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Jane Hutt AC / AM
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Minister for Finance and Leader of the House



Llywodraeth Cymru
Welsh Government

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Minister for Finance and Leader of the House**