

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



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref SF/JH/2589/12

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

| August 2012

*Deu Jocelyn,*

Thank you for your letter of 17 July enclosing a copy of the Finance Committee's report on the *Scrutiny of Supplementary Budget Motion 2012-2013 (Summer 2012)*. As I said in the Plenary debate on 17 July, I welcome the Finance Committee's report, in particular the Committee's endorsement of action we are already taking. I am also pleased that the Finance Committee welcomes the progress we have made in recent years towards providing greater transparency around Budget information. I remain committed to this agenda as we consider our plans for publishing the Draft Budget 2013-14.

Turning to the first recommendation in the Report, the current Budget Exchange System was agreed in July of last year following discussions between Treasury and the three Devolved Administrations. This agreement allows the Welsh Government to carry forward unspent resources from one year to the next up to an agreed cap and provides much greater flexibility than the original proposals that were put forward by the UK Government in March 2011. I will of course continue to make a strong case for Wales to receive a fair funding settlement, including flexibility to manage our resources effectively. It is more important than ever that we maximise expenditure in line with our priorities, and to this end the revised Budget Motion provides us with increased flexibility to manage our position especially towards the end of the financial year.

In terms of the second recommendation and in line with the wider transparency agenda, I acknowledge that we need to ensure that there is clarity about transfers – especially where they are a consequence of decisions taken in previous years.

On the third recommendation, I welcome the Committee's positive endorsement of the Government's strategic approach to capital allocation and can confirm that we will continue with our approach.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
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*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)*

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As regards the recommendation relating to the Invest to Save Fund, I publish details of the projects we are supporting under the fund on the Welsh Government website. This includes information on savings and wider benefits and where projects are more advanced, short case-studies that give summaries of experiences and lessons learned. I will continue to publish such information to help foster wider understanding and to encourage the wider adoption of successful approaches. In future, I will also publish details of the value of the Welsh Government's investment in each project.

Finally, I note your intention to invite the Minister for Health and Social Services to appear before the Committee in the autumn and that a formal invitation will follow.

Bert Hisher,

A handwritten signature in black ink, appearing to read 'Jane', written in a cursive style.

**Jane Hutt AC / AM**

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