

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

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

6 December 2011

Dear Jocelyn,

FINANCE COMMITTEE'S REPORT: SCRUTINY OF WELSH GOVERNMENT DRAFT BUDGET MOTION 2012-13 - NOVEMBER 2011

Thank you for your letter of 7 November enclosing a copy of the Finance Committee's Report on the Welsh Government Draft Budget Motion 2012-13.

Since we published our Draft Budget proposals in October, I have been following closely the dialogue around the scrutiny of our spending plans. I have welcomed the broad support around our focus on Growth and Jobs. In these difficult times it is clear that there is a shared commitment to taking action to stimulate economic growth.

I have welcomed the evidence and feedback that Assembly Scrutiny Committees and our partners in local government, business and the Third Sector have provided. As always, this stage of the Budget process has been extremely helpful in focussing our minds on how we achieve our ambitions for Wales within the constrained financial envelope available to us. The scrutiny process has challenged us to look again at what we are proposing and consider how we can do better.

As I said in the Plenary debate on the Draft Budget, I would like to express my thanks to the Finance Committee for your constructive report on the Draft Budget. The Committee raised a number of important issues in its report, many of which were consistent themes raised during the course of the scrutiny. In doing so, however, the Committee acknowledged that the Draft Budget had been produced against the backdrop of a tough financial climate and, importantly, did not suggest any amendments to the resources already proposed.

In preparing the Final Budget, I considered all of the evidence and feedback received during the scrutiny period, including the key themes raised in the Committee's report. Despite the challenging debate that has taken place over recent weeks, there is no overriding evidence to suggest that we need to make fundamental changes to the spending plans proposed in the Draft Budget. We recognise, however, that we need consensus on the measures and actions we are proposing. That is why we have worked closely with Opposition Parties to

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finesse our proposals. As a result, there are a small number of changes proposed between Draft and Final Budget. These are reflected in the plans I published last week.

In publishing the Final Budget, I said that I would publish a formal response to the Finance Committee Report in due course. I attach at Annex A a note which addresses the specific recommendations made by the Committee.

As I said to the Committee, I keep the approach we take to publishing our Budget under review and I am committed to working with you to explore how we can improve the process, particularly around the transparency and presentation of our proposals. That is why I have already taken steps in the Final Budget Explanatory Note to present the Budget figures as requested in your report.

I look forward to exploring these issues further with the Committee in due course.



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