



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cyllid
The Finance Committee**

**Dydd Iau, 28 Chwefror 2008
Thursday, 28 February 2008**

Cynnwys
Contents

- 3 Ymddiheuriadau a Dirprwyon
Apologies and Substitutions
- 4 Cyllideb Atodol Llywodraeth Cynulliad Cymru 2007-08
Welsh Assembly Government Supplementary Budget 2007-08

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Alun Cairns	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Mohammad Asghar	Plaid Cymru The Party of Wales
Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Alun Davies	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Paul Bryant	Pennaeth y Tîm Polisi a Rheoli Cyllid, Llywodraeth Cynulliad Cymru Head of Financial Policy and Control, Welsh Assembly Government
Dr Christine Daws	Cyfarwyddwr Cyllid, Llywodraeth Cynulliad Cymru Director of Finance, Welsh Assembly Government
Andrew Jeffreys	Pennaeth yr Economi a Thrafnidiaeth, Tîm Gwario yr Amgylchedd, Cynaliadwyedd a Thai Head of Economy and Transport, Environment, Sustainability and Housing Spending Team

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

John Grimes	Clerc Clerk
Abigail Phillips	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 1.31 p.m.
The meeting began at 1.31 p.m.

Ymddiheuriadau a Dirprwyon
Apologies and Substitutions

[1] **Alun Cairns:** I bring the committee to order. The purpose of this session, which is an additional meeting, is to scrutinise the supplementary budget. Before I go on to talk about the witnesses, the usual rules apply in relation to language, mobile phones, and so on; I do not need to go through them all. Ann Jones unfortunately cannot make it because of Assembly business. We invited the Minister, but because the meeting was arranged at short notice, it is wholly understandable that he was committed elsewhere, but he has co-operated kindly and Dr Christine Daws, as the senior official responsible for finance, will come forward and give

evidence. I will ask Dr Daws to introduce the remainder of the witnesses. I should also add that Lynne Neagle has sent her apologies, because of other Assembly duties that she has to conduct.

1.32 p.m.

Cyllideb Atodol Llywodraeth Cynulliad Cymru 2007-08
Welsh Assembly Government Supplementary Budget 2007-08

[2] **Alun Cairns:** I will give you a minute to catch your breath, Dr Daws. Thank you for your attendance, I have already explained that because our invitation to the Minister was given at such short notice, he was unable to come, which is more than understandable. I understand that he has nominated you in his place. I ask that you introduce yourself and your officials for the record, and make a few introductory comments about the supplementary budget as you see it.

[3] **Dr Daws:** I am Dr Christine Daws, the director of finance for the Welsh Assembly Government, and I am accompanied by Andrew Jeffreys and Paul Bryant, who work with me in financial planning. I am sorry that the Minister was not able to be here.

[4] The supplementary budget is very much a technical adjustment to budgets, and we run one every year. It is effectively a tidying up of the financial movements that have taken place during the year. Often, they are announcements that have been made in the Assembly or adjustments that Ministers have taken, moving a budget line from one to another, sometimes moving budgets between different main expenditure groups, from one ministerial area to another. It is just a matter of good practice that all of those movements should be voted through the Assembly. It is a transparent process. The fact that we have vast numbers of budget expenditure lines means that, from a financial management point of view, little movement can take place that you would not be aware of.

[5] As you know, I worked in health previously, and there is a good example relating to health on the first page of the supplementary budget that perhaps explains some of the transfers. We used to hold money in central reserves that did not go out to local health boards or trusts, and then, in-year, we would take a decision about what happened to that money. It would then have to move from one budget line to the local health board and trust budget line in order to go out to the service. So, for example, we were holding a central budget for workforce development, but that money has gone out to fund 'Agenda for Change' in the health service, and the resource in the budget has had to be moved from the budget line, which was held centrally, into the budget line that went out to local health boards and trusts. There are lots of different examples where we have had to do that.

[6] The one unusual thing for this financial year has been that the first supplementary budget motion that you saw in November was very much about tidying up because we had changes in ministerial portfolios. We tried to do it in such a way that allowed you to compare the budget laid originally with the movements that had come about with the change of Government. So, we have had to put a lot more through this budget, which would have been in-year things that we might have done earlier in the year. The other difference this year is that because of the Government of Wales Act 2006—in the past, we have been managing to one resource limit—each individual department now has an ambit and if anybody breaches their ambit, their accounts will be qualified. Clearly, we have had to ensure that none of the ambits are breached. So, there has perhaps been more movement or we have been careful in terms of making sure that everybody will come within budget, because we are, as an Assembly Government—as you can see from the figures—operating within budget. We are very close to the budget, but we are operating within it, and we wanted to make sure that all areas were operating in the same way.

[7] **Alun Cairns:** Thank you, Dr Daws, that was very useful. May we first of all talk about the size of the budget and sources and so on? I will ask Angela Burns to pursue that question.

[8] **Angela Burns:** Thank you very much, Dr Daws, for coming along today. I totally understand your point that this is a transparent, tidying-up exercise. One thing that I was quite confused about when going through it, which I am still confused about and wondered whether you could explain to me, is the subject of reserves. If I may draw your attention to pages 28 and 30 of the supplementary budget motion, there is a reduction in the reserves from £130 million to £30 million. In your explanatory notes—for which I thank you—there is £190 million coming out of reserves. So, there is £90 million that is coming out of the reserves that is not shown here. Could you explain to me where that £90 million has come from?

[9] **Dr Daws:** I think that the difference is £60 million. We have drawn an additional resource, which was not in the original figures, of £60 million of non-cash end-year flexibility—carry-forward money—which we have allocated out. That is additional money. We have put that into reserves and then allocated it out. So, we had the original reserves pot, we added £60 million to it and then allocated the money out.

[10] **Angela Burns:** Has that all come from end-year flexibility?

[11] **Dr Daws:** Yes, it is £60 million of non-cash funding, so it is money for provisions or for capital charges.

[12] **Angela Burns:** May I just press you further on this number?

[13] **Dr Daws:** Yes, of course you can.

[14] **Angela Burns:** I do feel that our adding up has actually been correct and that it is £90 million.

[15] **Dr Daws:** Sorry, which lines are you looking at?

[16] **Angela Burns:** What I was looking at was your explanatory note on the supplementary budget and the various ‘from reserves’. For example, you have given £83.1 million to health and social services for the delivery of the waiting times targets, down to £14.5 million for the Wales Millennium Centre and so on. If you add up all of that and add in what you have put in—for example, there is a £20 million underspend on road depreciation and impairment—that number comes to £190.8 million.

[17] **Dr Daws:** That is right, yes.

[18] **Angela Burns:** What I see here is that we had £130 million in reserves, which has now gone down to £30 million. That difference is £100 million and £100 million from £190 million gives me £90 million. I was just wondering where the £90 million that you have spent has come from.

[19] **Mr Jeffrey:** The drawings from EYF are £60 million non-cash, and we drew £30 million near-cash at the winter supplementary budget stage.

[20] **Dr Daws:** We are not spending that £30 million. I am sorry; I apologise. That is the reason. We drew £30 million of revenue carry-forward money and we have decided that we do not need to spend it and will spend it next year instead. So, we drew £60 million of non-cash and £30 million of revenue, which they call near-cash in the Treasury, EYF money. That

is my fault. As we are not going to spend that £30 million, that is the £30 million that is left over in the reserves.

[21] **Angela Burns:** Right.

[22] **Dr Daws:** We drew it in anticipation, earlier in the year, when we thought that we might need to use it, but we have decided that we would prefer to use it in the next financial year when, following the comprehensive spending review, resources are much tighter. We managed to ensure that we stuck to leaving that £30 million in reserve for next year.

1.40 p.m.

[23] **Angela Burns:** That leads me to another question, actually. Will the £30 million in reserve be carried forward into April 2008?

[24] **Dr Daws:** Yes. We have confirmation of that from the Treasury.

[25] **Alun Cairns:** I will carry on with that theme before I bring Alun Davies in. You drew £30 million down from the reserve—

[26] **Dr Daws:** We drew it from the end-year flexibility stock that we were holding.

[27] **Alun Cairns:** For what purpose was it drawn?

[28] **Dr Daws:** It was drawn to create a slightly larger reserve. As civil servants, we are fairly risk-averse, so it is nice to have a cushion of a slightly bigger reserve, and it did not compromise anything.

[29] **Alun Cairns:** So, there was an initial £30 million in reserve, which we are carrying over as reserve for the next financial year, but there was no purpose for it, such as agriculture, say.

[30] **Dr Daws:** No, there was no question of that.

[31] **Alun Davies:** Will that money be carried forward as reserves for 2008?

[32] **Dr Daws:** Yes.

[33] **Alun Davies:** I accept what you have said, and I understand the points that you have been making about the use of reserves and the way in which you use end-year flexibility to augment that process. However, I am curious about the processes involved in determining how reserves are used. You will hear politicians of all parties saying, 'Let us take some money out of the reserves', whenever we reach a particular cul-de-sac in policy. However, I have no recollection of there being any debate or discussion around the health and social services budget, for example, when sums of £83.1 million and £76.7 million were taken out of reserves to deliver on waiting times targets and to cover increased capital charges. What was the process involved in determining those levels of expenditure?

[34] **Dr Daws:** If I am embarrassed about one thing as finance director—though I know that I am sitting here on behalf of the Minister and not in my capacity as finance director—it is the fact that we put the £83.1 million into health at the end of the financial year, because it had been planned for a number of years that the money would go specifically to health. We should have made the adjustment at the beginning of the year and not at the end of it. So, the decision was made a couple of years ago and not in this financial year, and the money could have been moved at the beginning of the year. As a finance director, I would hope that we

could get a budget motion earlier in the year.

[35] Decisions around capital charges are usually made at an official level, because it is non-cash, and there have been some issues, particularly in this financial year—and this is all about this financial year—with the revaluation of the NHS estate. So, it was very much a technical adjustment to reflect the change following the revaluation of the NHS estate, and some other technical movements in capital charges. Those announcements do not tend to be made for that reason.

[36] On the other issues around reserves, Ministers do make statements; on the money for the Wales Millennium Centre, for example. I cannot comment on the political decisions around that, but, from a technical, finance point of view, the waiting list money was announced at least two years ago—I cannot remember the exact year—but it was the way in which we handled the profiling of putting the money in that caused the problem. It is EYF money, so it does not show on the face of the budget. That is why it was not in the original budget motion.

[37] **Alun Davies:** Why?

[38] **Dr Daws:** It is because EYF money does not sit, in technical terms, within—

[39] **Alun Davies:** If it is pre-programmed expenditure and the decision was taken some years ago, which I entirely understand and appreciate, why—

[40] **Dr Daws:** The decision was made specifically to fund, on a non-recurring basis, the peak in waiting times to meet the 2009 waiting times target.

[41] **Alun Davies:** So, we are funding planned expenditure through end-year flexibility.

[42] **Dr Daws:** The reason I know this is because I was working in health at the time—though I am not sure whether I am crossing the boundaries here. It was specifically to pick up a non-recurring peak in clearing the backlog of waiting times before the 2009 target. So, the money was put in on a non-recurring basis, and EYF is non-recurring money. So, it is not put into baselines, which are the figures that you vote through in the budget.

[43] **Alun Davies:** It seems curious to me that we are planning some years ahead how we will use end-year flexibility and, therefore, reserves.

[44] **Dr Daws:** For good budget management, as a finance director, you use the resources that you have available and advise Ministers according to those resources. The nature of the spend, whether it is ongoing, non-recurring or recurring—

[45] **Alun Davies:** I appreciate that, but, to have the transparency that you said was required, we have to understand in advance—

[46] **Dr Daws:** In the previous year, it will have gone through the supplementary budget motion. I am not sure whether it went through at the beginning or at the end of the year. So, this is not the first time that this has happened.

[47] **Alun Cairns:** I appreciate that you are an official and you cannot answer political questions—and we would not expect you to—but, to clarify the technical position, you said that the reserves for this current financial year were in the region of £157 million, so could you tell us whether that figure is right for the beginning of the year?

[48] **Dr Daws:** Sorry, I know that I need to give you a precise figure, but I do not have

one. We brought in £90 million extra, so I guess it would have been £101 million.

[49] **Alun Cairns:** Let us go back to 1 April 2007.

[50] **Dr Daws:** I am sorry, but I do not have that figure with me.

[51] **Alun Cairns:** On the first day of the financial year, it would have been in the region of 1 per cent of the budget, so it would have been £130 million. Let us broadly agree on that. So, you are telling us that £83 million of that was committed to health and social services—

[52] **Dr Daws:** No.

[53] **Alun Cairns:** Okay, let me finish my point, and then you can disagree or put me right. So, from what I have heard so far, my interpretation is that out of reserves of £130 million, £83 million was already committed to health—so we did not in fact have reserves of £130 million. I am sure that that is not the case, so please tell me why.

[54] **Dr Daws:** We have always used EYF stock, which is our end-year flexibility carry-forward, as an additional reserve or additional resource. The Assembly has been careful to manage the whole budget, in that sense. The waiting times money was committed from EYF stock some two years ago and was, therefore, planned. We have not had to draw down EYF stock in this financial year, because the calls on the resource have meant that we have managed the resources more carefully. We are now able to use some of that EYF stock in the next financial year. So, I would argue that that was prudent budget management.

[55] **Jenny Randerson:** Going back to what you said about the planned process of the EYF stock, which you used last year for waiting times money and were planning to use this year for waiting times money, do I understand correctly that you would plan to do the same thing again next year? If so, what is the difference between doing it every year and its being recurrent, which means that it cannot be taken from the EYF stock?

[56] **Dr Daws:** Yes, we do plan to use EYF stock next year. However, the commitment ceases with the 2009 target.

[57] **Jenny Randerson:** I know that the Government works to this rule, but are you working to a Treasury rule on not incorporating EYF into revenue? Why is it all right, from the Treasury's point of view, to use EYF every year to deal with waiting times, but not to call it recurrent?

1.50 p.m.

[58] **Mr Jeffreys:** There are two possible ways of dealing with a time-limited funding commitment, which this is. This is to fund initiatives to reduce waiting times in line with the 2009 target. One option is to do as we have in this case, namely putting it in in-year from reserves or EYF, or you can put it into a baseline, where there is something like a sunset clause by when the money will run out. Both have their downsides. The decision in this case was to use EYF and reserves to put the money in in-year up until the time that the commitment runs out. Both are legitimate ways of managing this sort of issue, and both have their benefits and disbenefits.

[59] **Jenny Randerson:** Thank you. That is helpful. I have another question on EYF. At the beginning, when Angela Burns was talking about the apparent disparity, which you explained, I think that you were referring to £91,385,000 in the figures that you gave us, which you drew down. Does that explain the increase in the total departmental expenditure limit in the Welsh block of that sum, the £91 million or so?

[60] **Dr Daws:** Yes.

[61] **Jenny Randerson:** Going on from that, you say that you used end-year flexibility stock from previous years. How much is left of that EYF in total from previous years that you could call on in future years? Could you call on it towards the end of this year, if necessary, say, if an emergency arose?

[62] **Alun Cairns:** That is, this financial year.

[63] **Dr Daws:** I think that we would struggle to call on it in this financial year, because we have only four weeks of it left.

[64] **Alun Cairns:** There was an earthquake earlier this week. [*Laughter.*]

[65] **Jenny Randerson:** Am I right in thinking that you have £30 million in identified reserves for the rest of this financial year?

[66] **Dr Daws:** Yes.

[67] **Jenny Randerson:** And you say that you could not call down EYF in the case of an emergency, or just unexpectedly? I am not being critical of the amount, because, with four weeks to go, it seems to be reasonable; I am just wondering how much flexibility the Welsh Assembly Government has to use its reserves in general plus EYF in the next four weeks.

[68] **Mr Jeffreys:** There are formal mechanisms for drawing down EYF from the UK consolidated fund; you can do it only at defined points, such as winter and spring, supplementaries, and main supply estimate times. So, there is not an opportunity between now and the end of the financial year to draw further EYF. If, for example, there was a call to spend huge amounts of money, the main recourse that we would have, apart from breaching our budget, would be to call on the Treasury's reserve, which is then repaid in future years.

[69] **Jenny Randerson:** Thank you. That is helpful. Going back to my original question, how much is the total EYF stock that lies there somewhere from previous years?

[70] **Dr Daws:** In total, we have three different pots: capital, non-cash and near cash.

[71] **Mr Bryant:** The totals available to us in future years would be £65 million for revenue—that is, cash—some £300 million for non-cash, to meet depreciation charges and the cost of capital charges, and approximately £140 million in capital.

[72] **Jenny Randerson:** That is extremely helpful.

[73] **Alun Cairns:** Yes, that is very useful.

[74] **Alun Davies:** I always get worried when I hear opposition politicians saying how useful things are. [*Laughter.*]

[75] I understand and appreciate the points that you have made about end-year flexibility and the ability to smooth over peaks of expenditure on particular issues, and I can understand in financial management terms how that makes life a lot easier. However, it makes other things much more difficult and any level of democratic accountability and scrutiny is clouded by those issues, because they do not appear in the budget. Certainly, many of us around this table were unaware of the commitments that have been made some years ago and how those commitments would be met. Do you have any other items of planned expenditure that have

been met in this rather peculiar way?

[76] **Dr Daws:** I think that we have shown the Finance Committee previously that we anticipate using the capital EYF as one of the sources of funding for the strategic capital investment board.

[77] **Alun Ffred Jones:** It would be fair to say that TB payments are paid out of end-year flexibility, would it not? TB payments are paid out of EYF or reserves, are they not? They are not in the budget.

[78] **Mr Jeffreys:** There is a budget for TB compensation payments. If the actual expenditure comes in above that budget, then the additional costs would be met either from within the same ambit, or, if that is not sufficient, additional resources would have to be allocated, but there have not been any additional resources allocated to that budget in this supplementary budget.

[79] **Dr Daws:** That is still very much seen as contingency.

[80] **Alun Davies:** Other items that have been paid for from reserves include the Ebbw Vale rail link. I understand that £13.6 million has been transferred from reserves to meet the costs of that. Will you outline the background to that?

[81] **Dr Daws:** I am sorry, but I do not have the details on that. We can send a note, if that is all right.

[82] **Mr Bryant:** It was originally part of the Corus regeneration project. A package was set aside on the closure of Ebbw Vale steelworks, the rail link being just one of the regeneration schemes. So that £13.6 million goes back a number of years and we have been holding that through our capital EYF, because it is a one-off and non-recurrent, for a number of years. We can now finally release it because of the completion of the works.

[83] **Alun Davies:** In other areas of the transport budget, I notice that the bus service operators grant, concessionary fares and rail support—relatively small sums—have all been met from reserves. My assumption is that these are overspends in the original budget.

[84] **Dr Daws:** Yes. It is a demand-led budget.

[85] **Alun Davies:** Fine, thank you.

[86] **Mohammad Asghar:** Thank you very much for coming to this meeting and giving us these detailed figures. You are the custodians of public finance and must spend money prudently, efficiently and transparently. The last one is here, but I want clarification on the first two. First, what is the limit of your reserves? Secondly, I need clarification on road depreciation and impairment—there is a big chunk there. Finally, on the various underspends, in which areas were there underspends? You have this figure of £8.5 million. We need some elaboration on this rather than just the one word, ‘underspend’. Should there not be more detail on the figure of £8.5 million on page 8?

[87] **Mr Jeffreys:** That is not our paper.

[88] **Alun Cairns:** It is the briefing paper that has helped us interpret the figures. That is the information that we have. Can you answer the question with the information that you have available?

[89] **Dr Daws:** The underspends that we have are forecast. A number of departments are

forecasting underspends; I do not know whether we have the details here of which departments those are. I am sorry, but I did not bring my monitoring table with me. A number of different departments, overall, are forecasting an underspend. That is not surprising. The road depreciation funding is a non-cash resource; it is a charge on capital depreciation and the big budgets that we hold for that are roads and health trusts. Not surprisingly, money is moved around in those areas all the time, because it is very difficult to get the exact figure at the beginning of the financial year.

2.00 p.m.

[90] **Alun Cairns:** I want to go back to end-year flexibility. I am extremely surprised by the scale of the funds that are available. Where would I learn about EYF? In what budget would it appear? I would like to know the full scale of the EYF resources and how that will have been accrued over how many years. When we have looked at the Assembly Government's budget and argued and discussed the levels of reserves that need to be there, I certainly never interpreted the EYF to be at that scale. If I wanted to be crude, I could suggest that it is something of a slush fund. However, that would be unfair, so I am not saying that. However, it appears to me that to have end-year flexibility of that scale, we need to know where we can scrutinise it and from where the resources have come and over what period.

[91] **Dr Daws:** Remember that the reason that we broke it down into three was because it is important that you do not just think of the total. The non-cash sum can only be used for non-cash purposes.

[92] **Alun Cairns:** A figure that is 1.5 per cent of the Assembly's budget is pretty significant in my mind, even when I take out the non-cash sum.

[93] **Dr Daws:** It has been accumulated over several years; it is the underspend from each financial year.

[94] **Alun Davies:** We appreciate that. It is accountability for the decisions taken regarding how that money is used is the concern that we are raising here. Unless we know the totality of the resources available to the Government, it is very difficult to hold it to account for decisions taken.

[95] **Dr Daws:** I am not sure that this is a question that I can answer, to be honest.

[96] **Alun Cairns:** There is a question that you can answer, Dr Daws: where can I find the data and how can we, as a committee, scrutinise the data, should we choose to do so, over the number of years that it is accrued and over the breakdown that you very kindly and generously provided?

[97] **Mr Jeffreys:** As things stand, details of our accumulated EYF stocks and expenditure outturn in each year are published in the Treasury's Public Expenditure Outturn White Paper, which is published every year. It details the public expenditure outturn by department or by devolved administration and gives details of accumulated EYF stocks.

[98] **Alun Cairns:** I ask the clerk and officials if we could possibly consider those documents. A brief, to be considered at a future meeting, may be useful. I remember a former Secretary of State who paid quite a high political price for end-year flexibility in the region of £100 million and I think that we would want to look closely at over how long that has been built up.

[99] We will now go into further detail in terms of the figures that we have in front of us. Does anyone have anything to ask?

[100] **Jenny Randerson:** Looking at the central administration main expenditure group, there is a reduction in the relocation strategy budget expenditure line of £2.2 million and an increase in the business change BEL of £3.3 million. What does the business change BEL actually cover?

[101] **Dr Daws:** The business change budget expenditure line is specifically about investing in improvements in the way that the central administration of the organisation is run. I described to the Audit Committee that we are putting in new finance systems and having a new finance change programme. That is an example of the sort of thing that would be funded from the business change BEL. Other examples would be a new records management system and organisational development to look at restructuring departments to support change, to really drive business improvement.

[102] **Alun Cairns:** I wish to pursue the rural affairs budget. The Minister made a statement in the Chamber last week about the additional funding that is being made available, to which I would like to think that this committee partly contributed, as well as other committees, with our recommendation that substantial additional funds from reserves should be made available to support the agricultural sector. The Minister responded in the debate with an additional figure of £8.8 million that had been provided to support the foot-and-mouth-disease crisis that was experienced in the last financial year. I am trying to reconcile that statement with what is included in the supplementary budget, because from what I can see, an additional £3.2 million over the financial year has been paid to the rural affairs budget, but, because of the underspend on one of the schemes, £1 million has gone out of it. So, is the announcement supporting the foot-and-mouth-disease crisis that was made last week in the Chamber of additional funding out of reserves?

[103] **Dr Daws:** It is from rural affairs reserves, not from central reserves.

[104] **Alun Cairns:** So, it is not from central reserves—it has come out of underspend within the budget?

[105] **Dr Daws:** Yes.

[106] **Joyce Watson:** That is not news, Chair.

[107] **Alun Cairns:** I am clarifying the point according to the figures. Are there any further questions from Members? Does anyone want to ask about the road depreciation figures? I see that no-one does. I think that we have come to the end of the session, which is shorter than we had originally planned. I thank Dr Daws, Mr Jeffreys and Mr Bryant for your support and your candid responses, and for stepping in for the Minister. We are extremely grateful for the evidence that you have provided, which will enable us to draft a report to provide to Plenary in preparation for the debate.

[108] **Joyce Watson:** I wanted to point out that the Minister clearly said in her announcement that that money would come from reserves. I heard her say that.

[109] **Alun Cairns:** I had interpreted that the additional funding would come from reserves, so I could not clarify it on that basis. However, the point has been clarified. Before I bring the session to a close, a paper has been circulated in relation to the budget process; it is not on the agenda. The reason why it has been circulated at this stage is to seek general consensus around what is there, so that the clerk and officials that work with the committee can talk to officials from the Government about it. If you want to consider it more formally, that is a matter for the committee.

[110] **Alun Ffred Jones:** I have sent a note to John Grimes, but I do not know if he has received it as I only sent it a few minutes ago. I need to consider the report far more carefully before saying that I endorse it. I have asked a question about paragraph 14 and what is meant by ‘meaningful objectives from the Government’. On paragraphs 31 to 33 and beyond, which was the bone of contention between the report of this committee and the ruling of the Presiding Officer, whoever has written the paper seeks to amend the Standing Orders so that we can make any comments that we like, presumably, on the spending departments of the Government. However, I am not sure that we are not straying into the realms of policy rather than scrutiny. The suggestion may be okay, but I have my doubts, and I also have another suggestion at the end.

2.10 p.m.

[111] **Alun Cairns:** By making comments you have answered my question—there is no general broad consensus. I just wanted to clarify whether that is the case. Therefore, as a way forward, is it best to consider it at a formal meeting, or can I ask Members to e-mail any questions or concerns to the centre for us to try to answer?

[112] **Jenny Randerson:** As is always the case with reports, we need to have a private session. My view is that we will need a session of around 40 minutes. There are some bits that I want to be strengthened, and I am sure that other people will raise issues that they want to be taken out altogether, and so on. We could end up with quite a vigorous discussion. So, I think that we need to do this properly. There are a few points that I would like to be inserted. One issue has arisen today. We have asked that the protocol includes the attendance of the Minister at a committee meeting after the budget; we need to make it clear that this should also be the case after the supplementary budget, although it may be useful to have officials here instead.

[113] **Alun Cairns:** I am grateful to Jenny. This is not an agenda item, but I wanted to find the way forward. I do not particularly want to discuss the document now. Are we comfortable that the way forward should be a private session where we go through the paper? Does anyone disagree? I see not. Therefore, I bring the meeting to a close.

*Daeth y cyfarfod i ben am 2.11 p.m.
The meeting ended at 2.11 p.m.*