

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

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10 June, 2003

Dear Colleagues

2003 BUDGET PLANNING ROUND

This letter sets out how I intend to deal with the Assembly's planning and budgeting process for 2004-05 onwards. In accordance with Standing Order 19.1 I request the views of Committees on the priorities for the Assembly's expenditure in 2004-05. Assembly Committees are requested to respond by 31 July at the latest.

The budget for 2004-05 is the second year of the Spending Review conducted by the Assembly in 2002. The Assembly has therefore already agreed indicative budgets for 2004-05, which were set out and approved in the Final Budget last November. Our total budget for 2004-05 is £11.8 billion - 5.6 per cent more than 2003-04.

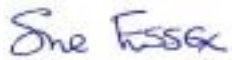
Because the indicative budgets for 2004-05 are already known and approved, I suggest that Committees consider how the priorities covered by the spending plans may need to be adjusted in the light of changing circumstances and commitments. In most cases, bids for spending over and above the indicative budgets are unlikely to succeed.

Committee Chairs will recall that the budget line for Health and Social Care will be adjusted following consideration of the Wanless Report expected in the near future. Members will note that there will also be a need to respond to the emerging expenditure needs in local government and these will be covered in the Local Government Revenue Settlement, which will be progressed later in the financial year.

In preparing my Draft Budget I will take account of the views you submit together with my own consultations with Ministerial colleagues. I intend to bring forward the Draft Budget for the consideration of Assembly Members in October or early November.

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

Yours sincerely

A handwritten signature in blue ink that reads "She FSSG". The signature is written in a cursive, slightly stylized font.