

# Y Pywllgor Cyllid

## FIN(3)-10-08 (p2) Cyllideb Atodol ar gyfer 2007/08

**Dyddiad y cyfarfod: Dydd Iau 26 Mehefin 2008**

**Amser y cyfarfod: 9.30am – 11.30am**

**Lleoliad y cyfarfod: Ystafell Bwyllgora 3**

### Cefndir

1. Gosodwyd Cyllideb Atodol gan Lywodraeth Cynulliad Cymru ar gyfer 2007/08 ar 23 Mehefin 2008. Ei nod yw cyfuno dau gwmpas 'bach' ac ymdrin â'r angen i wneud addasiad mewn perthynas â'r ffaith bod gwariant gan yr ymchwiliad e.coli yn fwy na lefel y gyllideb.
2. Mae'r llythyr amgaeedig gan Gyfarwyddwr Cyllid Llywodraeth Cynulliad Cymru i Glerc y Pywllgor Cyllid yn esbonio'r rhesymau dros y newidiadau hyn.
3. Mae'r Llywodraeth yn bwriadu ceisio cymeradwyaeth ar gyfer y gyllideb atodol cyn toriad yr haf ac, os bydd y pywllgor am gyflwyno adroddiad arno, bydd yn bosibl iddo wneud hynny tan 14 Gorffennaf.
4. Bydd Ian Summers yn bresennol yn y cyfarfod i ateb cwestiynau 'technegol' ar hyn.

### Cam i'w gymryd

Gwahoddir Aelodau i ystyried a ydynt am gyflwyno adroddiad ar y gyllideb atodol ac a ydynt am gasglu tystiolaeth arno.

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Eich cyf / Your ref:

Ein cyf / Our ref:

### Finance Director

John Grimes  
Finance Committee Clerk  
National Assembly For Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

23 June 2008



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

Dear John

### Supplementary Budget 2007/08

The Assembly Government will today table a Supplementary Budget covering the 2007-08 financial year. In view of its technical nature I thought that it would be helpful to outline the context for the small changes that the Supplementary Budget seeks to make. I am writing to you in the temporary absence of the Minister for Finance and Public Service Delivery.

Our experience of the first year of the operation of the Government of Wales Act 2006 has led us to conclude that the inclusion of a number of small individual ambits within the overall budget has not facilitated the effective management of resources across the Assembly Government.

Going forward, we therefore propose to review the smaller ambits that appear in the budget and consider amalgamating where appropriate - but without losing the transparency that is vital to aid effective scrutiny. Specifically, through future Final and Supplementary Budgets we propose to merge, for 2008/09 and later years, the Other Ministerial Services (OMS) and the Central Administration ambits. The case for merging these two ambits is supported by the fact that they cover expenditure of a broadly similar nature (OMS covers a variety of small budgets related to corporate activities such as communications and statistics).

We also propose to merge these two ambits retrospectively for 2007/08, which is the main effect of the Supplementary Budget tabled

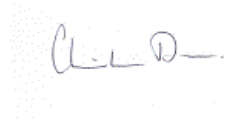
today.

Making the change for 2007/08 will facilitate comparisons of expenditure between years. Moreover, we believe that merging these two ambits is the best approach for addressing the implications of a necessary manual accounting adjustment made during the preparation of the annual accounts. The accounting adjustment, made in relation to expenditure by the E-Coli Inquiry, indicates that expenditure on this in 2007/08 will exceed the budgeted level. A downside of creating small individual budget ambits is that if a small overspend emerges it is unlikely to be offset by underspends elsewhere in the ambit, as tends to happen in larger departments. In this case the indications are that the small overspend on the inquiry is likely, without the Supplementary Budget, to lead to expenditure within the overall OMS budget being slightly higher than the level stated in the ambit by some £400k. By merging the OMS and Central Administration ambits in the Supplementary Budget, a larger forecast underspend on the Central Administration ambit in 2007/08 should more than offset the higher expenditure on the Inquiry and thereby ensure that overall expenditure within the new merged ambit, entitled Central Services and Administration, is within budget.

We also propose to take the opportunity provided by this Supplementary Budget to make a small adjustment to the text of the Children Education, Lifelong Learning and Skills income ambit (Schedule 2, Part 5), to explicitly cover income in respect of student loans. This adjustment would bring the text in respect of the Budget for 2007/08 into alignment with that included in the 2008/09 Final Budget, as approved by the Assembly in January 2008.

These are the only two changes that the Supplementary Budget proposes, and have no net impact on the total Assembly Government budget in 2007/08.

I hope that this letter helps to set the context of the Supplementary Budget tabled today and that you find it useful.



**Dr Christine Daws**  
**Finance Director**