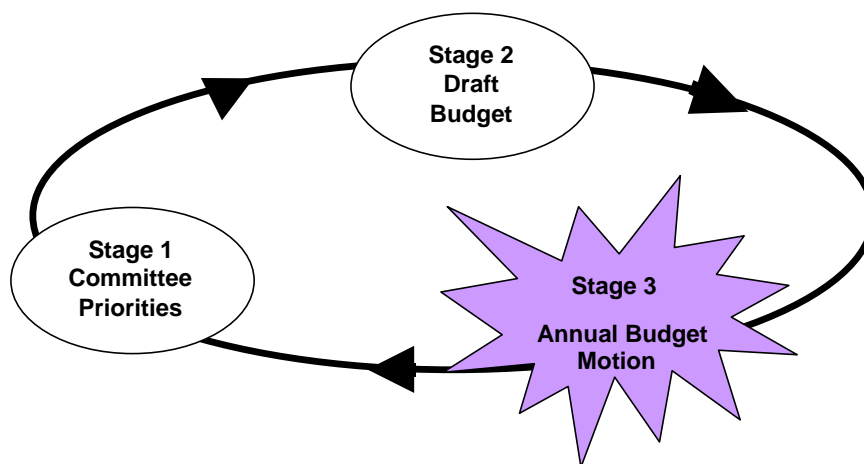




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The Budget Process – Stage 3: Annual Budget Motion¹



The Annual Budget Motion²

In determining the Budget for the financial year beginning 1 April 2007, the annual budget motion is the last stage of the budget cycle, following Committee's expressions of priorities³ in May and June and consideration of the draft budget⁴ in October and November of this year. In accordance with amended Standing Order 21.5, the Finance Minister must table the annual budget motion as required by [section 125](#) of the 2006 Government of Wales Act by 10 December 2006. The motion shall not be subject to amendment.

Amended standing order 21.6 requires that the budget motion tabled must incorporate the budget for the Assembly Parliamentary Service / Commission⁵, the final budget for the Welsh Assembly Government, the budget estimate in respect of the Auditor General for Wales⁶ and the budget estimate in respect of the Public Services Ombudsman for Wales⁷.

A minimum amount of information in support of the motion must be produced⁸ including the written statement required under section 125 (3) of the 2006 Act, and the resources agreed by Treasury for the Welsh block for the financial year in question. Reconciliations are also required between the resources allocated by Treasury and the resources for which the budget motion seeks authorisation; the estimated amounts to be paid into the WCF by the Secretary of State and the amounts to be authorised for payment out of the fund by the budget motion; and between the amounts which may be used or retained for specified services and purposes

Committee input	X
Plenary debate	✓
Amendments possible	X

¹ This Quick Guide is based on the procedures set out in Standing Order 21, amendments to which were agreed by business committee on 19 September 2006 and subsequently approved by the Assembly in Plenary on 27 September 2006.

² In previous budget cycles under former Standing Order 21.4, the annual budget motion was referred to as the final budget.

³ As set out in amended Standing Order 21.3

⁴ As set out in amended Standing Order 21.4

⁵ As determined under amended Standing Order 21.1

⁶ As laid before the Assembly by the Audit Committee under section 93(6) of the 1998 Act.

⁷ As laid before the Assembly by the Assembly Cabinet under paragraph 15 (3) of schedule 1 to the Public Services Ombudsman (Wales) Act 2005.

⁸ As required under amended Standing Order 21.8



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and the amount of cash to be authorised to be paid out of the WCF for use on these specified services and purposes by the motion.

Opportunity for Scrutiny

Scrutiny opportunities at this final stage in the budget cycle are more limited and centre on the plenary debate. Under former arrangements, usual practice was for the Members' Research Service (MRS) to produce a debate pack on the final budget, made available electronically to every Member, and in paper format in the Members' Library.

At this stage in the proceedings, the budget priorities and allocations have been finalised, and Member's options are limited to abstaining, or voting to support or oppose the motion to authorise the budget as a whole. However, the debate on the Finance Minister's annual budget motion, presents individual Members with the opportunity to introduce into the debate points on any unmet priorities or issues of specific concern.

Scrutiny Tips



Following are some general scrutiny tips Members may find helpful in forming a view on the annual budget motion. They build on the analysis supporting stage 1 (Committees' Priorities) and Stage 2 (Draft Budget) of the budget process earlier in the year. They are not prescriptive, rather being designed to assist Members, Committees and others in thinking about and preparing briefing and areas of questioning for budget and financial scrutiny.

Background & Scope for change

- How much is each department's final budget, as a percentage of the total Welsh Assembly Government final budget?
- How is the Welsh block likely to be changed in year – e.g. by the addition of End Year Flexibility?

Performance against targets

- What progress has been made on targets generally, for example, those in [Wales: A Better Country](#), or [A Budget for the Future of Wales](#)?
- Are there any concerns in relation to departments' ability to achieve their targets within current resource levels?

Priorities

- What were Members' or Committee priorities as submitted to the Minister at Stages 1 and 2 earlier in the year and how have they been actioned in the annual budget motion?
- If not, or not fully, does the Member wish to reiterate these as priorities in debate at this stage?

Year-on-year changes

- Have responsibilities for policy areas or service delivery changed across the departments?



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- Looking at the outturn figures for last year, is there underspend or overspend on any of the Spending Programme Areas (SPAs)? Has allowance been made for this in the final budget?

Cross cutting issues

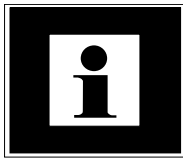
- How have any concerns raised by the Committees, about the differential impact of the draft budget allocations on different groups of people, been addressed in the final budget?
- Does the budget include allocations aimed specifically at increasing equality of opportunity for people from particular groups?
- To what extent is it possible to break down spending allocations? For example by age, gender, ethnicity, disability, sexuality, language, income and location. How are any significant differences in spending accounted for?
- How have concerns raised by Committee about the delivery of individual sustainable development (SD) action points by the draft budget allocations been addressed in the Final budget?
- Have any issues of previous overspend / underspend in relation to SD allocations been addressed?
- What monitoring provision is in place to ensure that the budget provision for the department's key commitments in the SD Scheme and Action Plan is effective?
- Does the final budget provide resources sufficient to ensuring that the *laith Pawb* targets will be met?

Changes since the draft budget

- Comparing the draft budget with the final budget allocations, are there any increases or decreases in the ambits?
- Have particular departments lost or gained responsibility for policy areas or service delivery since the draft budget?



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Further Information:

For further information, double click on the links below.

Policy documents:

[Wales: A Better Country](#)

[Wales Spatial Plan](#)

[Mainstreaming Equality in the Work of the Assembly](#)

[Sustainable Development Action Plan](#)

[Starting to Live Differently: The Sustainable Development Scheme](#)

[Iaith Pawb: A National Action Plan for a Bilingual Wales](#)

[A Budget for the Future of Wales](#)

Members' Research Service:

[Budget 2005](#)

[Debate Pack on the Final Budget 2005](#)

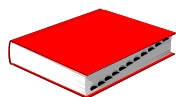
[Debate Pack on the Draft Budget 2005](#)

[Part 5 of the Government of Wales Act: Finance](#)

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Glossary of terms

[Glossary of Public Finance Terms](#)