

LOCAL GOVERNMENT AND HOUSING COMMITTEE

BUDGET 2001-02: LOCAL GOVERNMENT, HOUSING AND URBAN RENEWAL

Purpose

1. To comment on the draft budget for the 3 years 2001-04, as tabled by the Minister for Finance, Local Government and Communities and debated in Plenary on 26 October 2000. To comment also on proposed revisions to the Results for 2003 in *betterwales.com* and the benchmarks for 2010.

Recommendation

2. That the Committee comments on the draft budget at **Annex 1** and the proposed changes to *betterwales.com* at **Annex 5**.

Background

3. The budget round was launched in May with a paper from Edwina Hart "Building a Better Wales together". The Committee set out its priorities for the planning round in a letter from the Chair to Peter Law dated 11 July (**Annex 2**). The tables at **Annex 3** set out how the budget addresses each of the Committee's priorities.

4. Edwina Hart then set out the Assembly's draft budget and, having taken account of the comments from subject committees, will move the final budget around 7 December 2000. The Local Government and Housing Committee's central concerns were that local authorities had been under-funded in recent years, leading to spending in excess of provision, but that the funding deficit should not be met by a further period of high council tax increases. The draft budget provides for local authorities to increase expenditure on services, particularly on the key Assembly priorities of education and social services.

5. This year, the budget planning round has been characterised by a close link between spending and outcomes. Committees looked at priorities linked to priorities and the *betterwales.com* vision. This next stage in the process seeks to preserve that link.

6. To facilitate this, explanatory notes at **Annex 4** provide a commentary on the main sections

of the draft budget, setting out in broad terms what additional activity would result from the provisional budget.

Legislative Framework and Compliance

7. This paper has been prepared in compliance with Assembly Standing Order 19 which states that "As soon as practicable after the Assembly has taken note of the draft budget, each Assembly Secretary who is a member of a subject committee shall seek its views on the draft budget and convey them to the Assembly Secretary for Finance".

Action

8. Committees are invited to comment on changes proposed to the results sections of *betterwales.com* as a consequence of the provisional budget. At the beginning of the round, Mrs Hart indicated the intention to revise the Assembly's corporate plan and this remains the intention. Having taken into account the further views of the Committees, and once the final budget is agreed, a draft revision of *betterwales.com* will be issued for public consultation before a plenary debate in March 2001.

Policy Contact

9. Alan Thornton, Head of Local Government Finance Division.