

# P-05-921 Earlier notification of council budgets by the Welsh Government #SaveOurServices

Y Pwyllgor Deisebau | 7 Ionawr 2020  
Petitions Committee | 7 January 2020

Reference: RS19/11038-4

## Introduction

Petition number: [P-05-921](#)

Petition title: Earlier notification of council budgets by the Welsh Government #SaveOurServices

**Text of petition:** We call on Welsh Government to give budgets to councils no later than mid-January 2020 in order that firstly, local authorities comply with all legislative requirements in relation to budget setting process for council tax, and secondly so that they can give appropriate legislative budgets to schools in order for them to be in compliance with their own guidelines set by Welsh Government.

UNISON Neath Port Talbot Branch believes that every council in Wales is under extreme budgetary pressure, with some service provisions lost and others on the verge of collapse, and with a spending review also underway, public services now have no understanding of any of the implications of this review.

Welsh Government have proposed that the Draft Budget will be issued on the 19th November 2019, with a its Final Budget being given in February, but to date still no notice of when the actual Local Government Budget will be. This will have resounding, legislative implications for ALL local



authorities when they will have to approve budgets based on draft settlement figures to ensure compliance to statutory requirements around setting Council Tax Bills.

The proposed timetable gives councils very real difficulties inasmuch as all scrutiny meetings, subsequent Cabinets and Council meetings will now need to be changed. An outcome of this may be that council tax rates may have been inflated only to discover at a later date that settlement figures would have allowed more flexibility.

Councils are the major employer in their areas and any reduction in funding will also have a detrimental impact on employment and the ability for these vital services to be sustainable whilst remaining in-house.

We fully support Welsh Government's vision that everybody in Wales should live in well-connected, vibrant, viable and sustainable communities with a strong local economy and a good quality of life, but in order for this vision to succeed, we must safeguard public services which will in turn ensure the safety and well-being of our residents across Wales with better outcomes for all.

Current spending plans end in March 2020, however all current indications inform us that the timetable for settlement figures will not give us any approved funds until March 2020. This is outrageous: no employer can sustain a multi-million pound venture without a budget.

The number of councils now in a position of setting an illegal budget is frightening and is being exacerbated by ill-timed grant offers, some of which have not been received until the end of the budgeting year.

European Funding grants and Welsh Government specific grants contribute immensely to services delivered. Additionally, we need to consider timelines when awarding grants which appear to be given after the financial year has started. This is not supportive of workforce planning or the delivery of services.

Significant reform is required to ensure the long term financial sustainability of local services and to end the systemic inequalities between the funding of public provisions. Local authorities need increased autonomy and control for generating revenue with mechanisms in place for local authorities. Public Audit Watchdogs have been highlighting the significant damage to essential services and without major investment in these same services, local authorities will be unable to provide services to the most vulnerable in society, such as the young or very elderly, at a time when there is increased demand on service provision.

## 1. Background

The Welsh Government publishes its budget annually, generally in the autumn of each financial year. This process includes publication of an outline draft budget, a detailed draft budget and a Final budget. The Welsh Government also publishes a Local Government Settlement following publication of its draft budget, which sets the amount of Revenue Support Grant (RSG) to be provided to each local authority, a Police Settlement, regarding the amount of RSG for Police and information on grants, as well as other documents and information.

The Draft Budget process is set out in Assembly Standing Order 20. Standing Orders require that an outline budget proposal is laid before the Assembly, this must set out financing plans and the amounts of resources and cash which the government proposes to use for the following financial year as well as provisional amounts for the subsequent two years or for such other periods as the Minister considers appropriate.

The Welsh Government is required to notify the Business Committee of its proposed timetable for consideration of the budget at least two weeks before the summer recess each year. The Welsh Government must then publish this timetable, which must normally allow the responsible committee (the Finance Committee) eight weeks to report on the outline budget proposals and other committees at least five weeks to consider the detailed proposals.

At the request of the Minister with responsibility for government business, the Business Committee may make subsequent changes to the timetable.

The budget process is also set out in a protocol between the Welsh Government and the Assembly.

The Local Government Act 1992 requires that billing authorities complete and approve their budgets and set council tax before 11 March each year.

## 2. Welsh Government timetable

On 8 November 2019, the Minister for Finance and Trefnydd issued a written statement setting out the Welsh Government's plans to publish its budget, on an 'exceptional basis', on the 16 December (during recess), to be followed by a

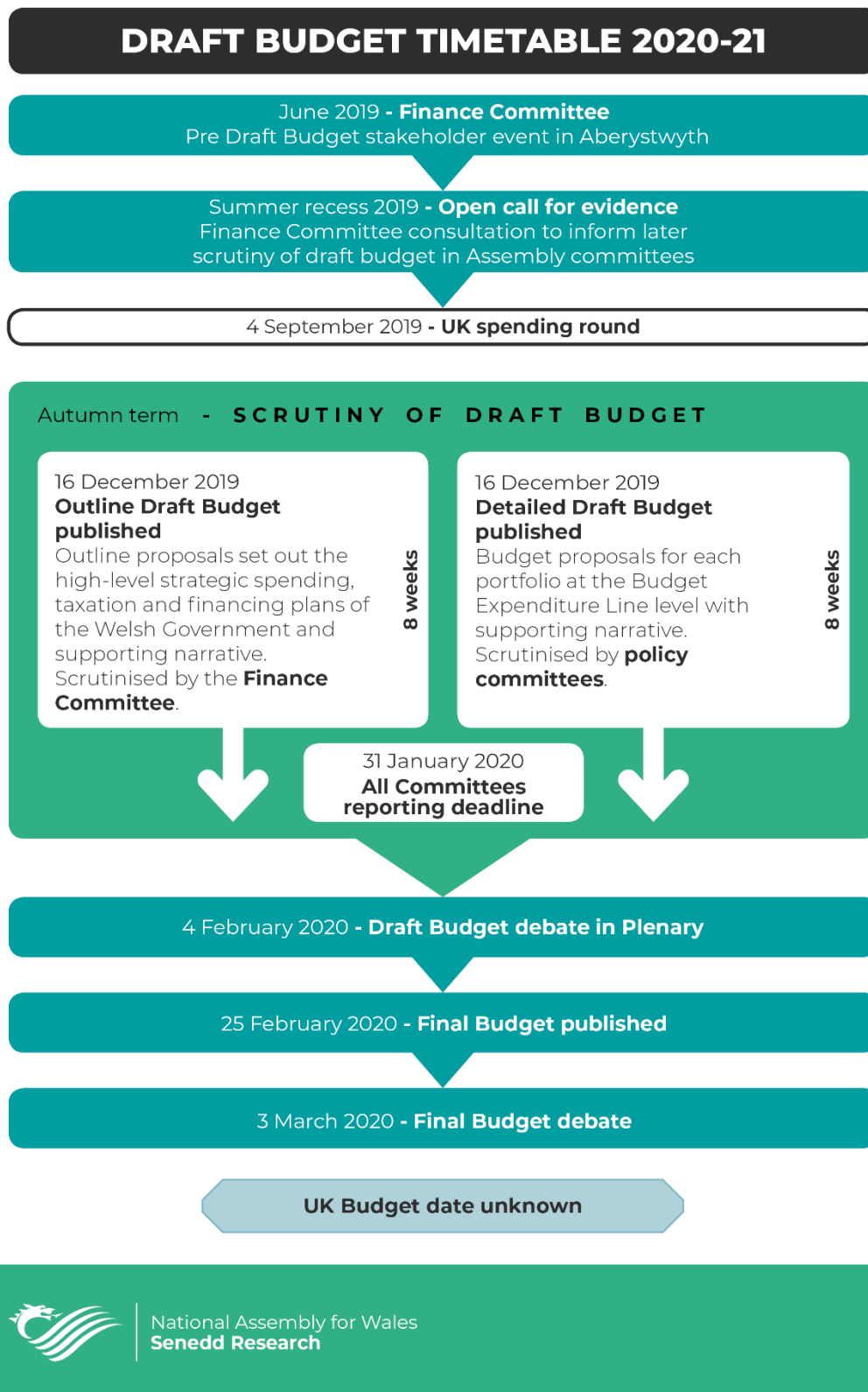
statement in plenary on 7 January 2020. The Minister outlined that the change in timetable related to the UK General Election, held on 12 December. The Minister stated that, since its earlier announcements on the timing of the budget:

...the UK general election has been called and we are now in the pre-election period. I have discussed the implications of this for the timing of the Welsh Government's budget with the Business and Finance Committees and subject to the agreement of the Business Committee we will defer publication of the Welsh Government's budget until after the UK general election.

The Minister's statement also outlined that the **Provisional Local Government Settlement for 2020-21** was due to be published at the same time as the Draft Budget. The **Final Local Government Settlement** will be published on 25 February 2020, alongside the Final Budget.

The Minister set out in that statement the timetable for the budget, outlined in Figure 1 below (for comparison a copy of the previous years' budget timetable is also included in the Annex of this paper):

Figure 1: Draft Budget Timetable 2020-21



Source: National Assembly for Wales Research Service and Welsh Government statement (8 November 2019)

The draft budget timetable as set out in Figure 1 follows previous announcements from the Welsh Government. The Welsh Government had previously written to the Finance Committee on 5 July 2019 to advise that the outline and detailed draft budgets would be published together on 10 December (Final budget on 3 March 2020). The Welsh Government stated:

...we are faced with an unprecedented level of uncertainty regarding the UK Government's intentions for a Comprehensive Spending Review. We do not know yet when it will take place or the period it will cover. There have also been comments in recent days by the contenders for the leadership of the Conservative Party and, ultimately, Prime Minister regarding the possibility of the new UK Government publishing its Budget in September. For those reasons, it is challenging to provide certainty at this stage on the dates we will publish the draft and final 2020-21 Budgets.

In this letter the Welsh Government also noted that if the UK Government published its budget earlier than anticipated, it would also look to bring forward publication of its budget.

On 4 September, following the UK Government's Spending Round 2019, the Minister outlined in a written statement that the Welsh Government would attempt to bring forward publication of its draft budget and on 13 September the Minister wrote to the Finance Committee to confirm it was looking to bring publication of the budget forward to 19 November.

### 3. National Assembly for Wales action

The Assembly's Business Committee considered the Welsh Government's Draft Budget 2020-21 at its meeting on 12 November 2019.

To inform its scrutiny, the Finance Committee held a consultation on the Welsh Government's Draft Budget Proposals 2020-21 over the period 16 July to 25 September 2019. The Finance Committee also conducted a stakeholder event in Aberystwyth on 27 June 2019, which considered priorities for the 2020-21 budget and held a debate on the Welsh Government's spending priorities in Plenary on 25 September 2019.

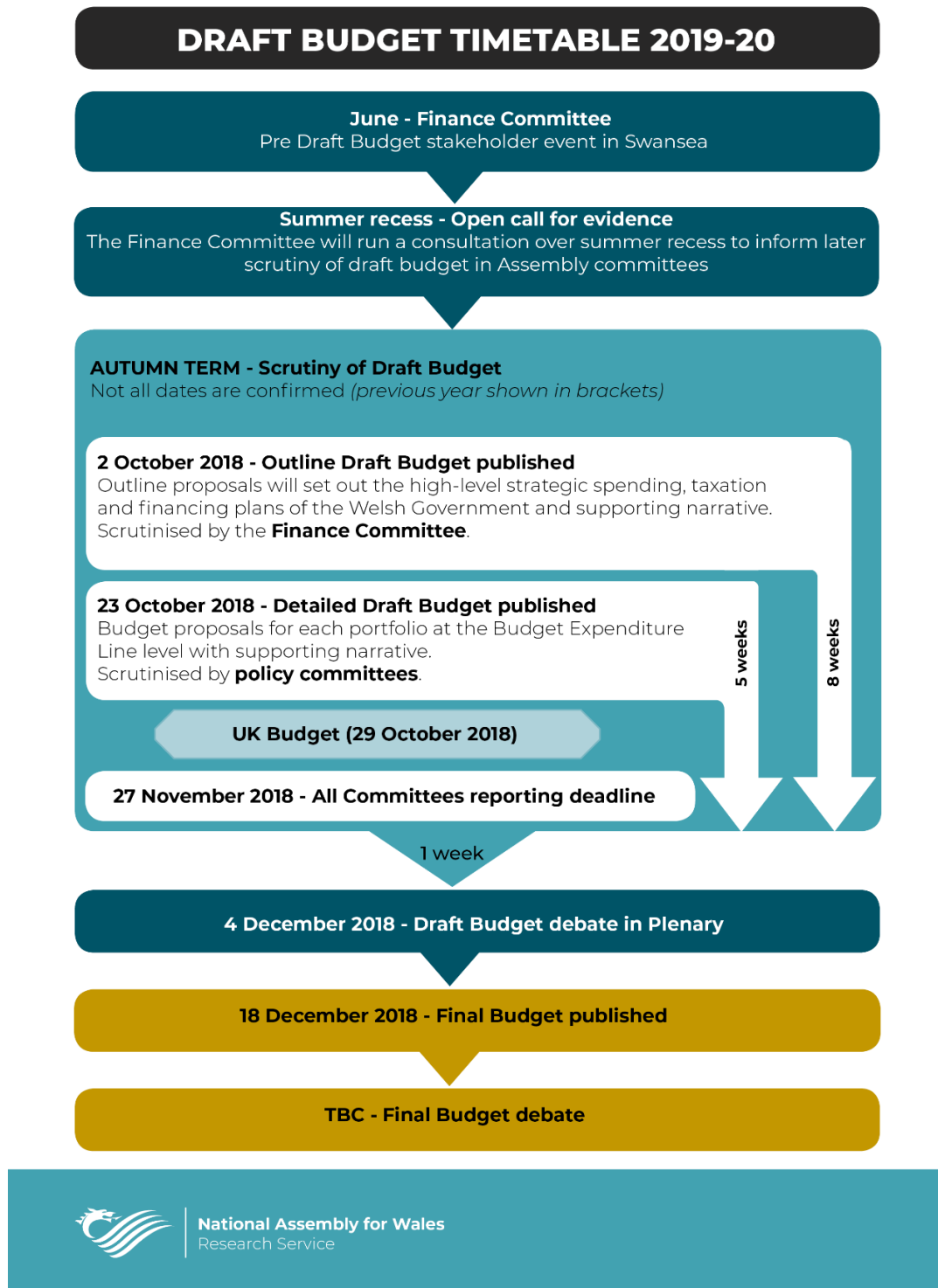
The Equality, Local Government and Communities Committee also held a session 'Welsh Government Draft Budget 2020-21: Local Government Budget', on 23

October 2019, which received evidence from the Wales Government Centre and Wales Centre for Public Policy.

Various committees have also written to relevant members of the Welsh Government, setting out their expectations of the budgetary information they will be provided.

## 4. Annex

Figure 2: Draft Budget Timetable 2019-20



Source: National Assembly for Wales Research Service and Welsh Government (*note: the Final Budget 2019-20 was debated on 15 January 2019*)